

STATE OF MARYLAND

Request for Proposals

Consultant and Actuarial Services for State Employee and Retiree Benefits Program

Solicitation No. F10R7200001



DEPARTMENT OF BUDGET & MANAGEMENT
EMPLOYEE BENEFITS DIVISION

Issue Date: June 27, 2006

NOTICE

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

Minority Business Enterprises are encouraged to respond to this solicitation

**STATE OF MARYLAND
NOTICE TO OFFERORS/CONTRACTORS**

In order to help us improve the quality of State proposal solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposal. If you have chosen not to bid on this contract, please fax this completed form to the attention of Joy Epstein at (410)-974-3274. Thank you for your assistance in this matter.

Solicitation No: F10R7200001
Entitled: Consultant and Actuarial Services for Maryland State Employee and Retiree Benefits Program

Date: June 27, 2006

1. If you have responded with a "no bid", please indicate the reason(s) below:
- Other commitments preclude our participation at this time.
 - The subject of the solicitation is not something we ordinarily provide.
 - We are inexperienced in the work/commodities required.
 - Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
 - The scope of work is beyond our present capacity.
 - Doing business with Maryland Government is simply too complicated. (Explain in REMARKS section.)
 - We cannot be competitive. (Explain in REMARKS section.)
 - Time allotted for completion of the bid/proposal is insufficient.
 - Start-up time is insufficient.
 - Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
 - Bid/Proposal requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
 - MBE requirements. (Explain in REMARKS section.)
 - Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
 - Payment schedule too slow.
 - Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section below. (Use reverse or attach additional pages as needed.)

REMARKS: _____

Offeror Name: _____

Date: _____

Contact Person: _____ Phone (____) _____

Address: _____

KEY INFORMATION SUMMARY SHEET

**STATE OF MARYLAND
Department of Budget and Management
Request for Proposals**

**CONSULTANT AND ACTUARIAL SERVICES FOR
STATE EMPLOYEE AND RETIREE BENEFITS PROGRAM**

SOLICITATION NO: F10R7200001

RFP Issue Date: June 27, 2006

RFP Issuing Office: Department of Budget and Management
Employee Benefits Division (EBD)

Procurement Officer: Ms. Joy Epstein
Procurement Officer
Office Phone: (410) 260-7570
Fax: (410) 974-3274
E-mail: jepstein@dbm.state.md.us

Proposals are to be sent to: Department of Budget and Management
45 Calvert Street, Room 143
Annapolis, MD 21401
Attention: Ms. Joy Epstein

Pre-Proposal Conference: July 14, 2006 at 10:00 local time
State Office Complex
201 W. Preston St.
Conference Room L-3, Main Lobby Level
Baltimore, Md. 21201

Closing Date and Time: August 8, 2006 at 2:00 local time

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SECTION 1 - GENERAL INFORMATION

1.1 Summary Statement

The Department of Budget and Management is issuing this Request for Proposals (RFP) for consultant and actuarial services for Maryland State Employee and Retiree Health and Welfare Benefits Program. Current employee benefits include health, prescription drug, dental, mental health and substance abuse plans, and life insurance, group long term care, flexible spending accounts and accidental death and dismemberment insurance plans. Consultant and actuarial services are being sought from one vendor for a (3) year period with (2) consecutive one (1) year renewal options.

The Maryland Transit Administration (MTA) also administers a benefits plan for certain of its employees, separate from the State Employees and Retirees Health and Welfare Benefits Program administered by the Department of Budget and Management. Actuarial and consultant services for the MTA plan(s) are not included in the scope of work except when specifically directed by the Department of Budget and Management by Task Order.

1.2 Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- (a) ACCOUNT MANAGER means the individual identified by the Contractor as staff member primary contact.
- (b) AWP means the average wholesale price of a drug.
- (c) CMS means Centers for Medicare and Medicaid Services.
- (d) COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1986. Reference to this Act generally refers to the federal continuation of coverage requirements; the specific provisions that apply to the Program health benefit plans are codified in the Public Health Service Act, at 42 USC §§300bb-1 et. seq.
- (e) COMAR means the Code of Maryland Regulations.
- (f) CONTRACTUAL EMPLOYEE means a non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits.
- (g) DBM or DEPARTMENT means the Department of Budget and Management.
- (h) DEPENDENT means a spouse, natural child, stepchild, legally adopted child, or legal ward of an eligible member who is also eligible pursuant to COMAR 17.04.13.03A(11) for coverage under the Program and its associated benefits and insurance plans.

- (i) **DIRECT PAY EMPLOYEE** means an individual in the State Plan who is billed directly by the Department for selected State benefits, including COBRA members, Leave of Absence members, Contractual Employees and Part-Time Employees.
- (j) **EBD** means Employee Benefits Division.
- (k) **FMLA** means the Family Medical Leave Act.
- (l) **FIXED UNIT PRICE LABOR RATE** Fully loaded hourly rates by labor category established in the Contract that include all direct and indirect costs and profit for the Contractor.
- (m) **FTE** means full-time equivalent. A State employee who is FTE or who works at least 50% of a normal workweek for the position is eligible for State subsidy of the State Plan's premium.
- (n) **FULLY LOADED RATES** The billing rate of a labor category that includes all profit, direct and indirect costs. The indirect costs shall include all costs that would normally be considered general administrative and clerical costs and/or routine travel costs, or that are in any way allocated by the Contractor against direct labor hours as a means of calculating profit or recouping costs which cannot be directly attributable to a work order. General administrative and clerical costs cannot be billed to the State under this Contract.
- (o) **GASB** means the Governmental Accounting Standards Board.
- (p) **HIPAA** means Health Insurance Portability Accountability Act of 1996 and the regulations promulgated pursuant thereto, including the administration simplification provisions relating to the privacy and security of protected health information, the electronic exchange of health information, standard data transaction codes and code sets, and national unique identifiers.
- (q) **IBNR** means incurred but not reported claims.
- (r) **LOCAL TIME** means time in the Eastern Time zone as observed by the State of Maryland.
- (s) **MAC** means maximum allowable cost as defined in the contract between the State and the Pharmacy Benefits Manager.
- (t) **MBE** means a Minority Business Enterprise that is certified as such by the Maryland Department of Transportation.
- (u) **MEDICAL RECORDS ACT** means the Maryland Confidentiality of Medial Records Act, Annotated code of Maryland, Health General Article, Title 4, subtitle 3.
- (v) **OFFEROR** means a vendor who responds to the RFP by submitting a proposal to provide the requested services.

- (w) PHI means protected health information, as that phrase is defined and used in the HIPAA statute and regulations (see also 45 CFR §164.501).
- (x) PART-TIME EMPLOYEE means a permanent employee who works less than fifty percent of the standard workweek and is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- (y) PBM means pharmacy benefits manager. In the context of the State Program, this refers to the contractor that administers the State's employer-sponsored self-funded prescription benefits plan and the Maryland Rx Program.
- (z) PLAN YEAR means the 12-month period of benefit coverage beginning July 1 and ending June 30 of the next calendar year. The Plan Year for the State's benefits plans coincides with the State's fiscal year.
- (aa) PROGRAM means the State Employee and Retiree Health and Welfare Benefits Program, administered by the Department. The Program is the collection of benefits plans sponsored by the State for its employees, retirees and their dependents. See Maryland Annotated Code, State Personnel and Pensions Article, §§2-501 et. seq.
- (bb) RFP means this Request for Proposals for Consultant and Actuarial Services for State Employee and Retiree Employee Benefits Program.
- (cc) SATELITTE ACCOUNT EMPLOYEE means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- (dd) STATE means the State of Maryland.
- (ee) TPA means a third party administrator, a contractor who processes claims and administers the self-funded plans offered through the Program.
- (ff) SUBCONTRACTOR means an organization or entity that the Offeror plans to utilize for the purposes of services covered under this contract.

1.3 Contract Type

The contract that results from this RFP shall be a combination of firm, fixed prices for certain actuarial services pursuant to COMAR 21.06.03.02A(1) and B(2) and fixed unit prices (i.e. labor hour), indefinite quantity for consulting services pursuant to COMAR 21.06.03.05A(1).

1.4 Contract Duration

- 1.4.1 The contract resulting from this RFP shall be for a period of about three (3) years beginning on or about November 1, 2006 and ending on October 30, 2009. Contract Year 1 may be more or less than one year but the year shall end on October 31, 2007.

Each succeeding contract year shall begin on November 1. The State, at its sole option, shall have the right to extend the contract term for two additional, successive one-year terms. During the term of any extension, a price adjustment may be allowed.

1.4.2 Contract Price Adjustments

A. The Contractor may seek adjustments to their labor category hourly rates in accordance with certain changes in the Consumer Price Index (CPI). This section describes the mechanism to be used to make CPI adjustments. If the Department elects to exercise its unilateral right to renew the contract after the initial term or subsequent renewal period, a price adjustment may be made to the labor category hourly rates for each one (1) year option contract period. The sequence of actions to implement a price adjustment is as follows:

- a. At least ninety (90) calendar days prior to the expiration of the contract, the Contract Manager shall advise the Contractor of the allowable percentage adjustment that may be applied for each labor category hourly rate. The adjustment shall be based on the change in the Consumer Price Index (CPI) as calculated below. In the event the calculation exceeds five percent (5%), the maximum increase shall be limited to five percent (5%) of the current contract labor rates (or subsequently adjusted prices beyond the first option year's labor category hourly rates).
- b. Within fifteen (15) calendar days of the receipt of the State's notice of adjustment, the Contractor shall submit a schedule of revised rates to the Contract Manager if it wishes to obtain a rate increase. In the event the CPI for the measured period is negative, the contractor shall reduce prices accordingly. In the event the CPI for the measured period is positive, the contractor shall have the option of keeping existing contract prices or changing to any price up to the maximum allowable percentage increase.
- c. The adjustment will be calculated as a percentage resulting from the change in the index for the most recent twelve (12) months beginning from the most current month available as posted by the BLS at:
http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUURA311SA0,CUUSA311SA0
- d. The revised rate schedule shall be used for billing effective the first day of the renewal period.

B. Consumer Price Index Information:

- a. The adjustment shall be calculated by reference to the annual change in the U.S. Department of Labor, Bureau of Labor Statistics (BLS), CPI—All Urban Consumers for:
 - o Area: Washington-Baltimore, DC-MD-VA-WV, Not Seasonally Adjusted

- o Item: All Items
- o Series ID: CUURA311SA0,CUUSA311SA0
- o Base Period: NOVEMBER 1996=100

b. The following example illustrates the computation of percent change:

CPI for most currently available period	128.8
Less CPI for previous period	123.6
Equals index point change	5.2
Point change/previous period CPI	5.2/123.6
Equals	.042
Result multiplied by 100	0.042 x 100
Equals percent change	4.2%

C. In the event that the BLS discontinues the use of the index described above, adjustments shall be based upon the most comparable successor index to the CPI. The determination as to which index is most comparable shall be within the sole discretion of the State.

1.5 Procurement Officer and Contract Manager

The sole point of contact at the State for purposes of this RFP, prior to the award of any contract, is the Procurement Officer at the address listed below:

Joy Epstein
 Procurement Officer
 Department of Budget and Management
 45 Calvert Street, Room 143
 Annapolis, Maryland 21401
 Telephone #: 410-260-7570
 Fax #: 410-974-3274
 E-mail: jepstein@dbm.state.md.us

The individual responsible for day-to-day administration and management of the Contract issued pursuant to this RFP shall be the Contract Manager identified below:

Catherine Hackman, Acting Director
 Employee Benefits Division, Department of Budget and Management
 Room 510, 301 West Preston Street
 Baltimore, Maryland 21201
 Telephone#: 410-767-4710
 Fax #: 410-333-7122
 E-mail:chackman@dbm.state.md.us

The Department may change the Procurement Officer and/or the Contract Manager at any time during the pendency of the Contract by notice to the Contractor.

1.6 Pre-Proposal Conference

A Pre-Proposal Conference will be held on July 14th, beginning at 10:00 AM (local time) at the State Office Complex within the Department of Health and Mental Hygiene's Building, Lobby Level L-3 Conference Room, 201 West Preston St. Baltimore, Md. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals. In addition, attendance may facilitate the Offeror's understanding and ability to meet the State's Minority Business Enterprise (MBE) goals.

The Conference will be transcribed. A copy of the transcript of the Pre-Proposal Conference will be made available to potential Offerors at a nominal charge directly from the transcription company. The identity of the company and details of how to obtain a transcript copy will be provided at the conference. In addition, as promptly as is feasible subsequent to the Conference, a summary of the Pre-Proposal Conference and all questions and answers known at that time will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP.

If there is a need for sign language interpretation and/or other special accommodations due to a disability, it is requested that at least five days advance notice be provided. DBM will make reasonable efforts to provide such special accommodation.

1.7 Use of and Fee for e-Maryland Marketplace

1.7.1 Use

e-Maryland Marketplace is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM web site (<http://www.dbm.maryland.gov>) and other means for transmitting the RFP and associated materials, the solicitation and minutes of the pre-bid/proposal conference, Offeror questions and DBM responses, addenda, and other solicitation related information will be provided via e-Maryland Marketplace.

This means that all such information is immediately available to organizations that subscribe to e-Maryland Marketplace. Because of the instant access afforded by e-Maryland Marketplace, it is recommended that all Offerors interested in doing business with Maryland State agencies subscribe to e-Maryland Marketplace.

1.7.2 Fees and Mandatory Registration

COMAR 21.02.03.06 requires that the successful Bidder/Offeror under this solicitation pay a fee to support the operation of e-Maryland Marketplace. A copy of COMAR 21.02.03.06 can be found on the website at www.eMarylandMarketplace.com. The successful bidder/Offeror must register with e-Maryland Marketplace prior to contract award.

Whereas COMAR 21.02.06.03 includes a fee schedule which Offerors would normally use to determine what level of fee to build into their bid/offer prices, because of the indefinite, non-guaranteed level of usage under the contract that results from this solicitation, Offerors are hereby advised to include a Level 6 fee (\$5,000) as the e-Maryland Marketplace fee.

The fee amount must be included within the rate or price of the proposal/bid and may not be quoted as a separate add-on price.

In order to receive a contract award, an Offeror must be registered on e-Maryland Marketplace. Contractors shall pay the fee as provided by COMAR 21.02.03.06 and in accordance with guidelines issued by the Maryland Department of General Services. These guidelines can be found on the website at www.eMarylandMarketplace.com.

1.8 Questions

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the pre-proposal conference. If possible and appropriate, such questions will be answered at the pre-proposal conference. (No substantive question will be answered prior to the pre-proposal conference.) Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. If possible and appropriate, these questions will be answered at the Pre-Proposal Conference.

Questions will also be accepted subsequent to the Pre-Proposal Conference. All post-conference questions should be submitted in a timely manner to the Procurement Officer only. The Procurement Officer shall, based on the availability of time to research and communicate an answer, decide whether an answer can be given before the proposal due date. Answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all Offerors who are known to have received a copy of the RFP.

1.9 Proposals Due (Closing) Date

An unbound original and five (5) bound copies of each proposal (technical and financial) must be received by the Procurement Officer, at the address listed in Section 1.5, no later than 2:00 PM (local time) on August 8, 2006 in order to be considered. One (1) electronic version on CD of the Technical Proposal (in MS WORD) must be enclosed with the original Technical Proposal. An electronic version on CD of the Financial Proposal in MS Word or Excel format must be enclosed with the original Financial Proposal. Offerors must ensure that the CDs are labeled with the RFP title, RFP number and Offeror name, and are packaged with the original copy of the appropriate proposal (technical or financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02F, proposals received by the Procurement Officer

after August 8, 2006 at 2:00 PM (local time) will not be considered. Proposals may not be submitted by e-mail or facsimile.

1.10 Duration of Offer

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date of proposals or of Best and Final Offers (BAFOs), if requested. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

1.11 Revisions to the RFP

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be posted on the DBM website and eMarylandMarketplace.com, and provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date must accompany the Offeror's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

1.12 Cancellations; Discussions

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State of Maryland. The State also reserves the right, in its sole discretion, to award a contract based upon the written proposals received without prior discussions or negotiations.

1.13 Oral Presentation

Offerors may be required to make oral presentations to State representatives. Significant representations made by an Offeror during the oral presentation must be reduced to writing. All written representations will become part of the Offeror's proposal and are binding if the contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations. Typically, oral presentations occur approximately two weeks after the proposal due date.

1.14 Incurred Expenses

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

1.15 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

1.16 Protests/Disputes

Any protest or dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

1.17 Multiple or Alternative Proposals

Neither multiple nor alternate proposals will be accepted.

1.18 Access to Public Records Act Notice

An Offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. (See Section 4.4.2.1)

Information, which is claimed to be confidential, is to be placed after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, also in its Financial Proposal. Offerors are advised that, upon request for this information from a third party, the State will make an independent determination whether the information must be disclosed (see COMAR 21.05.08.01).

1.19 Offeror Responsibilities

The selected Offeror/Contractor shall be responsible for all products and services required by this RFP. Subcontractors must be identified, and a complete description of their roles relative to the proposals must be included in the Proposal. The selected Offeror retains the responsibility for all work performed by and any deliverable submitted by a subcontractor. Additional information regarding MBE subcontractors is provided in paragraph 1.23 below, Section 4.4.2.9, and ATTACHMENT D.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror such as, but not limited to, proposed

services, description of the Offeror's ability to perform the scope of work, references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal must contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.

1.20 Mandatory Contractual Terms

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as ATTACHMENT A. Any exceptions to this RFP or the Contract must be clearly identified in the Executive Summary of the technical proposal. A proposal that takes exception to these terms may be rejected. (See Section 4.4.2.2)

1.21 Proposal Affidavit

A proposal submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as ATTACHMENT B of this RFP.

1.22 Contract Affidavit

All Offerors are advised that if a contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as ATTACHMENT C of this RFP. This Affidavit must be completed and submitted within five business days of notification of proposed contract award.

1.23 Minority Business Enterprises

A Minority Business Enterprise (MBE) subcontractor participation goal of 27 percent (27%) of the fees to the Contractor has been established for this procurement. The Contractor shall structure its award(s) of subcontracts under the contract in a good faith effort to achieve the goal in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in ATTACHMENT D of this RFP. Subcontractors used to meet the MBE goal of this RFP must be identified in the Offeror's proposal.

Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.

ATTACHMENTS D-1 and D-2 must be completed and submitted with each Offerors proposal. Failure to submit these completed attachments will eliminate an Offeror from further consideration.

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P. O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1269. The directory is also available at

<http://www.mdot.state.md.us>. Select the MBE Program label. The most current and up-to-date information on MBEs is available via the web site.

1.24 Arrearages

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the contract if selected for contract award.

1.25 Procurement Method

This contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

1.24 Verification of Registration and Tax Payment

Before a corporation can do business in the State of Maryland it must be registered with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of proposals. An Offeror's failure to complete registration with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for contract award.

1.25 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement contract a person may not willfully:
 - (1) falsify, conceal, or suppress a material fact by any scheme or device;
 - (2) make a false or fraudulent statement or representation of a material fact; or
 - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

1.26 Electronic Funds Transfers

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using the COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request

Form. Forms are available from the Comptroller's Offices or website. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

1.27 Utilization Data, Report Formats, and Confidentiality Agreement

Offerors will be provided a utilization data file with utilization information for various plans in the Program on a CD and in MS Excel format. This information is provided for informational purposes so that Offerors may be aware of the format and extent of data provided on a quarterly basis from TPAs and other State contractors in connection with plans offered through the Program. See RFP Section 3 for contractual requirements in connection with this information. Information on the CD may only be used to prepare a response to this RFP. The utilization data contains confidential information related to the Program and is disclosed only for purposes of this solicitation.

A confidentiality agreement (ATTACHMENT G) will need to be provided to the State to ensure that the information will only be used as set forth in this RFP. To receive the data file, each Offeror will need to present the completed confidentiality agreement and a picture ID such as a valid driver's license. The data file will be available anytime after the release of the RFP, including at the Pre-Proposal Conference as outlined in Section 1.6 or upon arrangement with the Procurement Officer whose contact information is found in Section 1.5.

1.28 Conflict of Interest

1.28.1 Potential Offerors should be aware that the State Ethics Law, State Government Article, § 15-508, might limit the selected Contractor's ability to participate in future related procurements, depending upon specific circumstances.

1.28.2 The successful Offeror will provide consulting and actuarial services to the State and must do so impartially and without any conflicts of interest. The Contractor will be required to complete a Conflict of Interest Affidavit. A copy of this Affidavit is included as ATTACHMENT H of this RFP. If the Procurement Officer makes a determination that facts or circumstances exist that give rise to or could in the future give rise to a conflict of interest within the meaning of COMAR 21.05.08.08A, the Procurement Officer may reject an Offeror under COMAR 21.06.02.03B.

SECTION 2 – DESCRIPTION OF CURRENT BENEFITS PROGRAM

2.1 The Program.

The State of Maryland Department of Budget and Management administers a comprehensive benefits program for State employees, retirees, and eligible dependents. The State Employees and Retirees Health and Welfare Benefits Program (Program) includes a mix of self-funded and fully insured medical, dental and prescription plans and group insurance plans for life, long term

care and personal, accident and dismemberment benefits. The State subsidizes the premiums for certain plans but the member pays the entire premium for other plans. Deductible and co-pay arrangements are also used for various plans. State's total benefit expenditures for FY 2007 are anticipated to be approximately \$1 billion.

In July 2005, the State switched from a calendar year benefits plan year to a benefits plan year based upon the State's fiscal year. The fiscal year runs from July 1 of one year to June 30 of the following year. A shortened plan year of January-June 2005 was followed by the implementation of the first benefits plan year on a fiscal basis beginning July 1, 2005-June 30, 2006. An annual Open Enrollment period is held prior to the beginning of each Plan Year, typically in May or June. Benefits elections for most plans are evergreen elections, but elections for Flexible Spending Accounts must be made during each Open Enrollment.

2.2 Eligibility and Payment for Coverage

Eligibility for Program participation is governed by regulation codified at COMAR 17.04.13.03. Program benefits are available to permanent employees who work at least 50 percent of the standard workweek, retirees and eligible dependents with a State subsidy of certain applicable premiums. COBRA participants, employees on leave of absence without pay, contractual and part-time employees also may enroll in the plans offered through the Program; however, these Direct Pay Enrollees are not subsidized by the State and therefore pay the full premium cost. Satellite Account Employees participate in the State benefits program and may be subsidized by their employer, which in turn submits the full premium cost to the State.

The Program operates as an Internal Revenue Code Section 125 pre-tax benefits plan for active employee enrollees who are eligible for State subsidy. The State's Section 125 cafeteria plan does not use benefit credits or a flat employer contribution to all employees; the employer contribution is a percentage of the premium for certain plans. All other members (Direct Pay Enrollees and Satellite Enrollees) must pay premiums on a post-tax basis. However, all Program election and coverage benefits are otherwise administered as if Section 125 election and coverage provisions applied.

The active State Benefit Employee Enrollment Data by Plan and Coverage prepared for enrollment year of 2006 and enrollment month of May are found in Attachment L.

2.3 Program Benefits Plans

Detailed descriptions of PPO, POS, and HMO health benefits, and mental health and substance abuse benefits are provided in the 2006-2007 Summary of Health Benefits Booklet. The booklet is issued annually to all eligible members during the annual Open Enrollment period. The Summary of Health Benefits Booklet may be accessed through the Department website at www.dbm.maryland.gov, using the link entitled "Employee Services."

The various benefits plans of the Program are described in limited detail below.

2.3.1 Health Insurance Plans

Health plans offered include PPOs, POS, and HMOs. Each of the 3 types of plans provides a standard set of benefits. The administrators for the self-funded plans and insurers for the HMOs were procured during a competitive process held in 2004. Copies of the RFPs, including the plan design and a significant portion of the performance requirements for those contracts, are available on the Department's website (www.dbm.maryland.gov), using the "Procurement & Contracts" and "Contract Library" links. The contracts for these health plans will expire on June 30, 2009.

Two PPO plans are offered to State employees and retirees. These PPO plans are administered by separate third party administrators (TPAs) and do not operate under managed care guidelines. Both PPO plans offer nationwide and statewide coverage and network access. Currently, enrollees pay 20% of the premium and the State pays 80%. The PPO plans are self-insured by the State.

Three POS plans are administered by separate TPAs and are available in all regions of the State. Two of the POS plans are partially capitated and partially self-insured; the remaining POS plan is not capitated. Services that are covered under the capitated rate vary among the POS plans. All three POS plans offer statewide coverage but access out-of-state is limited. Enrollees pay 17.5% of plan premiums, and the State pays 82.5%. The POS plan is self-insured by the State.

The three HMO plans are fully insured. The HMO networks are limited in area and generally offer coverage for only emergency services out of state. The State pays 85% of premiums, and enrollees pay the remaining 15%.

2.3.2 Prescription Drug Plan

The prescription drug plan is self-funded and is administered by a PBM. The enrollees pay 20% of premiums, and the State pays 80%. Enrollees attain maximum benefits through use of a pharmacy network, generic medications when available, a drug formulary, MAC pricing and preferred drugs. The current plan includes an extensive national retail network as well as access to a voluntary mail order program and specialty pharmacies.

The current State plan also includes a number of managed access components, including:

- Prior Authorization
- Quantity Limitations; and
- Step Therapy Requirements

In late 2005, the State issued an RFP for a PBM to provide pharmacy benefits and administer the Maryland Rx Program. As the result of a protest, the contract award has been delayed. As of July 1, 2006, the current incumbent PBM will administer the State's self-funded prescription drug plan in accordance with the terms of the 2005 RFP, with the exception of the Maryland Rx Program, until the protest is resolved.

The Maryland Rx Program is to be a purchasing pool for pharmacy benefits for the State Employee and Retiree Health and Welfare Benefits Program, local governments and private employers for employees in Maryland. These other entities will be entitled to participate in the purchasing pool and to secure pharmacy benefit management services from the PBM on the same terms and conditions as the State through contracts with the PBM, with certain exceptions noted in the RFP. The Maryland Rx Program will be implemented upon contract award.

Effective July 1, 2006, the PBM contract includes a pricing model that provides the following components:

- (a) Pass-Through Pricing at Retail Pharmacies – For the retail component, the PBM shall pass-through the actual price the PBM has negotiated with the dispensing retail pharmacy; spread pricing with participating retail pharmacies shall not be permitted.
- (b) Pass-Through Pricing on Mail Order and Specialty Pharmacies – For the mail and specialty pharmacy components, pass-through actual acquisition pricing from wholesalers or manufacturers is not required; however, the drug ingredient cost charged to the State must be consistent with the pricing guarantees for claims processed at mail and specialty pharmacies.
- (c) Pass-Through Pricing on Other Items – For the retail, mail and specialty components, the PBM shall not retain any revenue (attributable to the State’s business) from pharmaceutical manufacturers or wholesalers including, but not limited to data fees, access fees, market share fees, rebates, formulary access fees, administrative fees or marketing grants.
- (d) Pricing Guarantees – For the retail, mail and specialty components, the PBM shall also guarantee a maximum amount for dispensing and administration fees, minimum percentage discounts off AWP by drug-type (brand and generic) and place of service (retail, mail and specialty pharmacies) and minimum guarantees per claim for rebates, including all revenue.
- (e) Transparency: For the retail, mail and specialty components, the PBM shall provide full transparency reporting.

2.3.3 Dental Plans

Preventive and diagnostic dental benefits are available to employees and retirees through three stand-alone fully-insured dental plans, including two Dental HMOs, and one Dental PPO with in-network and out-of-network benefits. Premiums for the three stand-alone dental plans are paid 50% by the employee and 50% by the State. The base period for the dental benefits plans contracts expires June 30, 2007, and the State has unilateral options to extend the contracts for an additional two years (to June 30, 2009).

2.3.4 Mental Health and Substance Abuse Services

HMO enrollees receive mental health and substance abuse services through their HMO plans, and the cost of these services is included in the HMO premiums.

For PPO and POS enrollees, mental health and substance abuse services are provided by a TPA under a managed care agreement. These services are self-funded by the State. The cost (administrative fees and premiums to cover anticipated claims costs) for mental health and substance abuse services is added to the PPO and POS premiums, and is shared between the

State and enrollees in the same proportion as described above for those plans. The contract for these mental health plan TPA services expires June 30, 2011. Members may choose to receive services through a participating TPA mental health provider, or receive reduced benefits by using non-participating mental health provider.

2.3.5 Personal Accident and Dismemberment Plan

Personal accident and dismemberment plan benefits are available to active employees through a group insurance policy sponsored by the State. Premiums are paid by the enrollees. The State does not subsidize this plan. The contract for this plan expires June 30, 2006 with two one-year renewal options. The State has chosen to renew for the upcoming plan year of 2006-2007.

2.3.6 Group Term Life Insurance Plan

Term life insurance is available to employees through a group life insurance policy sponsored by the State. Premiums are fully paid by the enrollees. The State does not subsidize this plan. The contract for this plan expires June 30, 2006 with two one-year renewal options. The State has chosen to renew for the upcoming plan year of 2006-2007.

2.3.7 Flexible Spending Accounts

The State offers active employees the opportunity to participate in a pre-tax Health Care Spending Account and/or Dependent Care Spending Account. A TPA administers the two accounts. The two Flexible Spending Accounts are entirely funded by the active employee. The contract for the TPA services for these accounts expires June 30, 2010.

2.3.8 Long Term Care Insurance

The State offers a group Long Term Care (LTC) Insurance plan to active employees, retirees and family members, including parents, grandparents, and siblings, for coverage of nursing home care, assisted living, home care, and other types of LTC services. Certain employees are eligible for pay deductions for this coverage while other covered individuals must pay premiums directly to the insurer. All premiums are fully paid by the member. The contract with Unumprovident for LTC benefits expired June 30, 2006. A new contract with The Prudential Insurance Company of America began effective July 1, 2006 for a five-year term.

SECTION 3 - SCOPE OF WORK

There are two major components of work being requested: (1) actuarial services and (2) general consultant services. The scope of work to be performed may include but is not limited to general services in each category. Some of the services may overlap into both actuarial and consultant services; the Contractor shall consult with the Department in such instances to clarify which billing category and task order will apply. Some of the services will be recurring and some will be non-recurring. Details of services are outlined below.

3.1 Actuarial Services

Certain actuarial services required by this RFP and the Contract involve routine and regular actuarial data analysis in support of the Department's Program administration. All Actuarial Services described in this Section 3.1 shall be priced using a total annual firm fixed price for all services.

3.1.1 Rate Setting

The rate-setting process involves a number of phases over a period from November through May, in general. The schedule provided in this Section 3.1.1 for Actuarial Services is an approximation of the principal times involved in the annual rate-setting process. Flexibility in this schedule may be required, due to the requirements of the Maryland General Assembly and other conditions or events.

- A. The Contractor shall assist in the collection of data for rate renewal process (November-January). These services shall include at least the following tasks:
- Meet with Director of Employee Benefits and/or designated staff to develop a comprehensive timetable and strategies for completion of rate renewal process.
 - Prepare health benefit Contractor data request letters and data request forms to be approved by the Director.
 - Receive and evaluate data submissions, obtain missing information and clarify confused responses.
 - Advise Director of Employee Benefits and/or designated staff of any problems or delays.
- B. The Contractor shall develop annual premium rates for self-funded and partially self-funded plans; review premium rates for fully insured plans. Using claims experience, cost and utilization trends and other data, make recommendations for rate increase or decrease. (January-March) These services shall include at least the following tasks:
- Analyze rate submission(s) from TPA contractors for State self-insured plans and contractors for fully-insured plans, separating rate charges, administrative fees and other costs.
 - Analyze and review utilization data for each health benefit plan, mental health plan, prescription drug plan, and dental plan.
 - Prepare initial rate summary report and brief Director of Employee Benefits and/or designated staff.
 - Lead as the State's representative and advocate in rate negotiations with benefit plans TPA and insurance contractors.
 - If necessary, follow up with benefit plan contractors for requested data.
 - Develop rate scenarios.
 - Develop rates for self-insured and partially self-insured plans.
 - Prepare revised draft summary report for initial meeting with the Secretary of the Department of Budget and Management.
 - Brief Director of Employee Benefits and/or designated staff on summary report.

- Prepare report for presentation to Secretary of the Department of Budget and Management and the Governor’s Office.
 - If necessary, revise rate scenarios at request of the Secretary of the Department of Budget and Management and the Governor’s Office.
- C. Develop annual benefits budget (i.e. State expenditures). (January-March) The involved tasks include at least the following:
- Calculate utilization and cost trends.
 - Project cost growth for next three years.
 - Prepare and present report regarding rate setting options. This report should include at least the following:
 1. Summary of projected rate analysis.
 2. Cost growth by major categories. Comparison of prior year’s actual costs with the next year’s cost projections for each plan.
 3. Comparison of costs to include expected/projected costs and proposed premiums.
 4. Calculation of annual estimates for IBNR liability of the health benefit plans.
 5. Proposed employee and retiree biweekly rate increases by plan and level of coverage. The Contractor shall be prepared to provide estimates of the fiscal and actuarial impact of four to five (4-5) different cost-shifting scenarios (co-payment/co-insurance changes, change in State subsidy of premiums, etc). If more than 5 scenarios are presented for analysis, a task order shall be required (see Section 3.2.1.1).
 6. Enrollment by plan.
 - Prepare final summary report for the Governor.
- D. Monitoring of Annual benefits budget. (July - June)
- Receive and review claims invoice summaries from DBM on a bi-weekly or monthly basis
 - Review projection reports of rate setting report in light of claims invoice summaries
 - Prepare and provide monthly concise (up to 5 pages) comparisons and analysis of cost projections and actual cost experience reflected in claims invoices for all self-funded plans, identify whether the budget allocation made in reliance on the rate setting report was an over-estimate or under-estimate, and identify (and recommend) whether corrective action is required by the State to modify the budget. These reports should include Plan Year (budget year) to date and month-by-month analysis.

3.1.2 Other Actuarial Services

The health, prescription drug, mental health, and dental plan vendors submit quarterly utilization and cost data to the State’s selected contractor. Examples of quarterly reports from the PPO, POS, HMO, mental health plan and dental contractors and the format of the quarterly prescription utilization and claims data submission are available for review by interested Offerors upon completion of a Confidentiality Agreement (see Section 1.27 and ATTACHMENT G) and notification to the Procurement Officer.

The quarterly reports identified in sections A and B below are more detailed than those required in Section D above. These quarterly reports are for a more detailed analysis of utilization, trends and costs and will also be used by the State to determine the scope of discussions with any TPA contractor during quarterly contract meetings. The reports required in Section D above are primarily for the purpose of tracking costs and State expenditures over the Plan Year for budget purposes.

A. The Contractor shall promptly provide analysis and summary of quarterly utilization reports provided by medical, mental health and dental plan contractors:

- Perform utilization, cost and trend analysis from quarterly vendor data submissions from TPAs of the identified plans.
- Compare actual utilization and cost trends to projections prepared during the annual rate setting process.
- Provide a concise executive summary of the report that identifies the major trends and how utilization compares to the projections made during the rate setting process, identify cost drivers, and identify potential issues for discussion with relevant TPAs.

B. The Contractor shall promptly provide analysis and summary of quarterly utilization reports provided by the State's PBM:

- Perform utilization, cost and trend analysis from quarterly data submissions from PBM.
- Compare actual utilization and cost trends to projections prepared during the annual rate setting process.
- Provide an analysis that indicates whether cost and pricing guarantees have been met using utilization reports and claims invoices summaries provided by the State. The Contractor will not be required to audit the PBM or review actual claims adjudications as part of this process; rather the Contractor will be required to compare the actual utilization and pricing experience of the State to the contracted pricing guarantees to determine whether contract guarantees appear to be met on a quarterly and annual basis.
- Provide a concise executive summary of the report that identifies the major trends and how utilization compares to the projections made during the rate setting process, identify cost drivers, and identify potential issues for discussion with relevant TPAs.

3.2 Consulting Services

For on-going administration of the Program benefit plans, the Department requires prompt, responsive, comprehensive, clear and precise advice and input from its Actuarial and Consulting Services Contractor. Such advice shall cover the various topics and areas required to effectively and appropriately administer benefits plans of the type offered by the State, including legal requirements, plan design, cost management, data analysis, first-line audit services, GASB

actuarial analysis and report preparation, and procurement support. Consulting services described in this Section 3.2 shall be provided at fixed rates per labor hour in specified labor categories. All services within this section shall be provided only upon request from the Department and pursuant to a signed task order (see Section 3.2.1) unless specifically authorized otherwise by this RFP or a written request from the Contract Manager.

3.2.1 Task Orders for Consulting Services

After commencement of the contract, for consulting services, all invoiced work by the Contractor will be defined and initiated through a task order process, with the exception of time-sensitive actuarial notes (Section 3.2.4). The State will issue a task order (TO) request to the Contractor's Account Manager outlining the desired work to be accomplished. The TO request will identify a deadline for completion of the work requested. In response to the TO request, the Contractor's Account Manager shall develop a written scope of work, a projection of the necessary work effort (hours and staff), and an itemized project cost estimate. The cost estimate must include all related costs associated with the specified TO. In addition, the response must include the labor category and resumes of any staff or personnel who will work on the project if the resumes have not previously been provided to the Department.

The Contractor shall receive a written notice to proceed from the Contract Manager prior to commencing work. The Contractor may not proceed with the TO until written notice from the Contract Manager to proceed. Written notice may take the form of a signature of approval on a submitted task order cost estimate or separate correspondence.

3.2.1.1 Task Order Process

Services shall be provided via a task order process using the pre-approved fully-loaded labor rates applicable to their labor categories as follows:

- A The Contract Manager will e-mail or fax a request to the Contractor to provide services. On occasion, the Contract Manager may contact the Contractor's Account Manager by telephone to orally convey the contents of a task order request. The request shall include at a minimum:
 - a) The due date and time for submitting a response to the request;
 - b) Technical requirements and description of the services needed;
 - c) Specific information to be provided by the Contractors, such as:
 - A proposed work plan for the required services;
 - Any maximum timeframe to complete the services required;
 - Any required places(s) where work must be performed;
 - State furnished information, work site, and /or access to equipment, facilities, or personnel;

- d) Requirements for meetings and reports;
- B The Contractor shall e-mail or fax a response to the Contract Manager within the specified time and shall include at a minimum:
- a) A response to the description of the service that details the Contractor's understanding of the work;
 - b) A description of the proposed work plan including time schedules, in narrative (including, if specifically required/requested, a GANTT chart) to accomplish the requisite task. This description shall include a schedule of resources and related tasks, including an explanation of how these tasks will be completed.
 - c) Identification of those activities or phases that can be completed independently or simultaneously versus those that must be completed before another activity or phase can commence.
 - d) The personnel resources, including those of subcontractor(s), and estimated hours to complete the task.
 - e) A detailed written description of any work to be subcontracted, and the name and address of the subcontractor(s).
 - f) Proposed approach to satisfying the requirements of the task and development of task deliverables.
 - g) A detailed cost estimate, using projected hours for each labor category and applicable staff members, to complete the project.
- C. The Contract Manager will review the response and will either approve the work and provide a notice to proceed (NTP) or contact the Contractor to obtain additional information, clarification or revision to the work. If satisfied, the Contract Manager will then provide the NTP.

3.2.2 Plan Design.

The Contractor shall provide advice on benefit plan design, analysis of proposed new benefits and modifications to existing benefits, including:

- Actuarial services and advice in the design of new benefits and benefits coverage.
- Independently make recommendations regarding new programs if in the best interest of the State.
- Provide expert assistance in the following:
 - Implementation of cost-sharing strategies (deductibles, co-payments, etc.).
 - Analysis of current plan design.
 - Determining the costs and savings associated with any benefit changes.

- Analyzing alternate funding arrangements.

3.2.3 Procurement

The Contractor shall assist the Department in the procurement of services related to the Program, including:

- Assist in developing and drafting requests for proposals.
- Assist in pre-proposal conference(s).
- Assist in proposal review and evaluation.
- Assist in the negotiation with benefit plans contractors (related to premiums, scope of services, etc.)
- Assist in any required presentations and reports to legislative bodies concerning procurements.
- Assist in the transition of benefit plan contractors.

A list of current contracts and anticipated procurements is contained in ATTACHMENT I. The State will determine, in its own discretion, whether and the extent to which, if any, the services of the Contractor (i.e. successful Offeror) will be used in these procurements.

3.2.4 Analysis of Proposed and Passed Legislation.

- A. The Contractor shall provide actuarial notes on bills and joint resolutions introduced by the General Assembly during the legislation sessions (generally early January through mid-April each year). The Contractor may be required to furnish an actuarial note for bills or joint resolutions introduced in the General Assembly that propose a change that may affect the benefits program. Notes shall include a brief explanatory statement of what the bill does and a reliable estimate of the financial and actuarial effect of the proposed changes on the health benefits program, along with a brief explanation of the methodology of developing the estimate.

These actuarial notes may require a very rapid response turnaround time of less than 8 hours from the time the request for an actuarial note is presented to the Contractor. A Task Order for each actuarial note will not be issued by the Department due to the severe time constraints for the turnaround of the fiscal notes. A general Task Order for these notes for the Contractor shall be prepared to respond to such requests beginning with each legislative session. The Contractor shall submit a general Task Order by January 1 of each year noting which personnel will be available to address potential requests for actuarial notes on pending legislation for invoicing purposes. Requests for actuarial notes of this type may be made by telephone call or e-mail from the Contract Manager or any high-level staff member of DBM or EBD.

- B. The Contractor shall testify before legislative committees upon request of the Department. If timing permits, a Task Order response shall be submitted by the Contractor to the Contract Manager for preparing and presenting such testimony.

3.2.5 Legal and Regulatory Compliance.

The Contractor shall provide advice on general legislative and regulatory compliance. A number of federal and state legal requirements, such as the HIPAA, Governmental Accounting Standards Board statement 45, COBRA, federal tax provisions, FMLA, and USERRA, impact the administration of the Program benefits plans. The Contractor is required to inform the State of any federal legislative or regulatory changes or judicial decisions that affect the Program, e.g. Medicare changes, COBRA and/or HIPAA regulatory changes, ADEA requirements for retiree health coverage, etc. Regular and periodic information dissemination shall be performed without the issuance of a task order and without additional compensation to the Contractor from the State. For example, the Contractor shall provide a minimal description of legislative or regulatory compliance issues to the Department on a regular and periodic basis but actual implementation advice, guidance, consultation or responses to requests for detailed advice shall be pursuant to a Task Order.

Any projects to implement or meet the needs of the legislative/regulatory/judicial changes will be considered and required on an as needed basis. If the State desires additional information or guidance on compliance, the State will issue a Task Order to the Contractor and billing for such service shall be in accordance with Section 3.7.1 regarding fully loaded labor rates.

3.2.6 Assist in the Preparation of Communication Materials.

The Contractor may be asked to provide expert assistance in the writing of technical brochures, benefit booklets or other communication materials. Such communications could involve topic driven notification to Program enrollees (e.g. Medicare Part D newsletters, Notices of Creditable Coverage) or general benefits information (e.g. annual Open Enrollment materials).

3.2.7 Market Research and Investigation.

The Contractor may be asked to conduct surveys using quantitative and qualitative methods such as telephone, mail and focus groups. The Contractor may periodically be asked to perform surveys, including but not limited to: employee satisfaction surveys; benefit assessment surveys; communication strategy development; disenrolled member surveys; exit surveys; survey of benefit programs of other employers including states and municipalities. All such market research and investigation services shall be provided in a manner calculated to provide accurate and reliable information to the State. The Contractor shall prepare a summary report of the results of any requested surveys.

3.2.8 Trend and Innovation Disclosure.

The Contractor shall maintain current information on national and regional trends in benefits. At no additional cost to the Department, the Contractor shall routinely advise DBM and EBD of innovations in the health and employee benefits industry; a short list of those State personnel to whom such routine notifications should be issued will be provided to the Contractor upon request after Contract award. If the State desires additional information or guidance, the State will issue a Task Order to the Contractor.

3.2.9 Medicare Part D Project.

The Contractor shall provide support services and consulting services in connection with the State's coverage of retirees who are eligible for Medicare Part D.

- A. At this time, the State is seeking and intends to continue to seek the retiree drug subsidy in connection with its coverage of the State retiree population. The State's application for the FY06 (July 2005 through June 2006) plan year was accepted and a preliminary one-time cost report and subsidy payment request have been submitted. The State's application for the FY07 (July 2006 through June 2007) has been accepted. The PBM submits eligibility and cost data to CMS in support of the State's application.
- 1) The Contractor shall provide support to the Department in connection with the State's annual application for the federal retiree drug subsidy administered by the Centers for Medicare and Medicaid Services in connection with Medicare Part D.
 - 2) The Contractor shall annually perform the following in support of the State's Retiree Drug Subsidy (RDS) application:
 - Gather claims and utilization data from PBM for the most recent 12-month period for the RDS eligible population as indicated by the most recent CMS response files that reside at the PBM (February –March).
 - Review the State's RDS eligible data and premium percentages to validate the actuarial equivalence of the plan relative to the standard Medicare Part D benefit (February).
 - Prepare a formal report on the actuarial equivalence of the plan for purposes of the RDS for the plan year beginning July 1 (March).
 - Act as the designated Account Manager for the State's RDS application, initiate and complete a new application for submission by the State's Authorized Representative by the March 30 due date for the application (if the application due date is extended, by the last week of April) for the plan year beginning July 1st. As part of the services in setting up the application, confirm application designee and other application functionality information with the State and the State's PBM for the plan year beginning July 1 (March-April).
 - Coordinate with PBM on eligibility downloads to CMS, as necessary.
 - Other coordination issues with the State and State's selected PBM, as necessary.
 - Provide advice to the State regarding changes in retiree drug subsidy application procedures, cost reporting and payment request procedures.
 - 3) A Task Order for these annual services shall be prepared by the Contractor and submitted to the Department/Contract Manager by January of each calendar year, outlining a comprehensive schedule of the necessary services to be performed along with a budget for those services. In light of the recurring nature of this activity, the State requests that the Contractor submit the Task Order response without waiting for the Contract Manager to initiate the Task Order Process.

- B. Upon separate Task Order request, the Contractor shall provide an analysis of the most cost-effective means to provide prescription drug coverage to Medicare Part D eligible enrollees in the State's self-funded prescription benefits plan, such as an analysis of the costs and benefits of the State becoming a Part D Plan or other alternatives. The Contractor shall be prepared to provide an analysis of the costs and benefits to changing the State's eligibility and coordination of benefits policy for those retirees who elect Part D coverage in addition to or in lieu of coverage through the Program.
- C. The Contractor shall provide advice and information as necessary during each plan year for the State to remain on course for receipt of the retiree drug subsidy or to appropriately implement any alternative implemented by the State in connection with coverage

3.2.10 GASB.

In preparation of the implementation of GASB Standard 45 related to reporting the State's liability in connection with providing other post-employment benefits to its retirees, the State has had a preliminary GASB Standard 45 report prepared. The State has established a Blue Ribbon Commission to Study Retiree Health Care Funding Options to further review the issues raised by the GASB Standard 45 analysis. The State may contract with another actuarial services contractor for GASB-related studies and reports. The Contractor shall:

- Perform GASB Standard 45 valuation and analysis for the State and Blue Ribbon Commission as requested, including actuarial analysis of different plan designs, funding alternatives, etc.
- Perform bi-annual GASB Standard 45 valuation after effective date of GASB Standard 45, as requested.
- Provide Statistical analysis as required for GASB compliance.
- Provide data and supporting analysis and cooperate in a validation of the GASB Standard 45 report, if requested.
- Attend legislative hearings and testify before legislative committees in connection with GASB Standard 45 analyses and valuations.
- Provide reports as requested by the State, including recommendations and other reports.

3.2.11 Quarterly Meetings

Periodically, the Department may schedule and hold meetings, as frequently as on a quarterly basis, with the various TPA contractors providing services in connection with the Program, in connection with the quarterly utilization reports submitted to and analyzed by the Contractor (see Section 1.27 above). Upon issuance of a Task Order, the Contractor shall:

- Attend quarterly meetings established by the State with the PPO, POS, mental health, and prescription drug plan vendors.
- Prepare agenda items.
- Recommend areas of discussion on utilization, cost, and trends.

- Act as the State’s advocate in participating in such discussions to target and resolve issues.

3.2.12 Pharmacy Directorship and Prescription Plan Contract Management

The State desires to be an intelligent, pro-active customer of its PBM, with more hands-on management and direction provided to the prescription benefits plan in order to achieve a cost-efficient benefits plan that adequately addresses the needs of enrollees. To that end, the State has required significant information reporting from the PBM. In order to understand and apply this information in a useful manner, the State requires its consulting contractor to take an active role in receiving, analyzing and summarizing this data. The Contractor shall provide services to assist the State in effective cost control monitoring and contract pricing guarantee oversight as well as in recognizing pharmacy benefits trends, anticipating and implementing plan design or formulary changes, and confirming that the State is benefiting from a transparent relationship with its PBM contractor. With the inclusion of the new pricing model effective July 1, 2006 with the current PBM, the Contractor shall perform the services of a pharmacy director/manager to include:

- Review and analysis of pricing model components as listed in Section 2.3.2, including but not limited to: pricing guarantees, transparency reporting, discounts off AWP, rebates, MAC, etc. to determine that the State is receiving the requested data.
- Prepare Quarterly Executive Summary Reports on the pricing model components as listed in Section 2.3.2, including an analysis whether pricing guarantees are being met or trending in a manner that indicates pricing guarantees will not be met.
- Analyze, summarize and provide consulting services in connection with the following information provided by the PBM contractor (possibly on-line access but hard-copy and electronic versions required to be submitted by PBM):
- full disclosure of revenue sources of the PBM
- quarterly reports that include details of at least the following received directly or indirectly in connection with the State plan and the Maryland Rx Program:
 - a. prescription prices (e.g. retail, mail and specialty pharmacy AWP, AWP discounts, dispensing fees, etc.)
 - b. manufacturer payments (e.g. formulary rebates, administrative fees, educational grants, detailing payments, bonuses, etc.), including amount and source
 - c. administrative fees or payments from labelers or wholesalers (discounts, rebates, grants, detailing payments, bonuses, etc.) including amount and source
 - d. outreach and outcomes of any other arrangement(s) from which the PBM may profit
- full disclosure and quarterly reports of utilization management programs (e.g. prior authorization, drug limitation, etc) including (at least) affected drugs, costs, savings, outcomes, and number of affected members
- full disclosure quarterly reports of drug switching, drug substitution and drug repackaging or drug relabeling that occurs directly or indirectly in connection with the State Plan and the Maryland Rx Program, including at least the following:

- drug name, dosage, strength and NDC code of the drug prior to substitution, switching, repackaging or relabeling
- drug name, dosage, strength and NDC code of the drug after substitution, switching, repackaging or relabeling
- the price of each drug
- therapeutic basis or cost savings for the switching or substitution
- the manufacturer of each drug
- the labeler or packager of each drug
- the aggregate number of switches, substitutions, relabeling or repackaging during the reporting period
- full disclosure and quarterly updates of formulary management information, including at least the following:
 - maximum allowable cost (MAC) list changes, identifying changes by drug name, dosage and NDC number
- formulary changes and preferred drug list changes, listing changes in the list of drugs that are included in the second (i.e. “preferred”) tier and third (i.e. “non-preferred”) tier, identifying changes by name, dosage, and NDC number
- the procedure used to make such changes
- the procedure used to notify those impacted by the formulary or PDL changes
- impact and outcome of formulary changes (e.g. number of participants, costs, savings, etc.) by drug
- any arrangements with prescribing providers, medical groups, pharmacy providers, individual practice associations, or other persons associated with activities of the Contractor to encourage formulary compliance or otherwise manage prescription benefits, including a description of outreach efforts and outcomes
- report on activities relating to clinical and cost management programs including DUR and substitution programs
- benchmark data on pharmacy costs and utilization

3.2.13 Quarterly Legislative Reports.

Effective with the 2006-2007 benefits plan year, DBM must provide several select quarterly reports to the Maryland General Assembly, pursuant to the April 2006 Joint Chairmen’s Report. The Contractor shall prepare legislative reports, as requested by DBM, using utilization data as provided to the Contractor by the vendors on a quarterly basis and the monthly and quarterly analysis provided by the Contractor to the State (Section 3.2.4 above). The Legislative reports shall include:

- (1) For the prescription benefits plan, fiscal year to date data on total expenditures and the number of prescriptions filled. Data from the immediate prior fiscal year, for the same period, shall be provided as well for comparison purposes.
- (2) For the health plans (PPO, POS and HMO), the reports shall include year to date data and comparison data from the immediate prior fiscal year concerning:
 - expenditures and enrollment

- number of in-patient hospital and out-patient hospital visits paid (PPO, POS)
- expenditures for in-patient and out-patient hospital visits (PPO, POS)
- number of claims for physician services received (PPO, POS)
- payments for physician services received (PPO, POS)

(3) The fund balance remaining in the State Employee and Retiree Health and Welfare Benefits Fund to pay claims and bills for the remainder of the fiscal year.

3.2.14 General Consulting Services Related to Employee Benefits.

The Contractor shall be prepared to provide consulting services as needed in other areas affecting and concerning employee benefits (excluding retirement benefits) similar to those provided through the Program. Such topics could include: high deductible health plans and health savings accounts, medical savings accounts, Internal Revenue Code Section 132 transportation plans, etc.

3.3 HIPAA Business Associate Requirements.

The Contractor shall act as a business associate of the Department in its administration of the Program and its component benefits plans that are covered by HIPAA's privacy, security and administrative requirements.

3.3.1 The Contractor shall not use or disclose PHI except as permitted by this RFP and the Contract.

3.3.2 The Contractor shall implement and use appropriate and reasonable administrative, physical and technical safeguards to maintain the security of and to prevent use or disclosure of PHI other than (a) as provided in this RFP and the Contract, (b) permitted by the HIPAA Privacy Regulation for a Covered Entity, and (c) permitted by the Medical Records Act. In the event that the HIPAA Privacy Regulation and the Medical Records Act conflict regarding the degree of protection provided for PHI, the Contractor shall comply with the more restrictive protection requirements.

3.3.3 The Contractor shall report to the Department any use or disclosure of PHI that is not permitted by this RFP and the Contract within 10 days of when the Contractor becomes aware of such use or disclosure.

3.3.4. The Contractor shall use reasonable efforts to mitigate the effect of any use or disclosure of PHI known to Contractor that is not permitted by this RFP and the Contract.

3.3.5 The Contractor shall ensure that any agents, including subcontractors, to whom it provides PHI agree to the same restrictions and conditions that apply to the Contractor with respect to such PHI.

3.3.6 The Contractor shall maintain PHI make available to the Department any PHI in a Designated Record Set relating to an individual upon request of the Department to permit the Department to comply with an individual's request pursuant to 45 CFR §164.524.

- 3.3.7 The Contractor shall make available for amendment and amend PHI in a Designated Record Set at the request of the Department.
- 3.3.8 The Contractor shall document and track Disclosures, including sufficient information as would be required to the Department to respond to a request for an accounting in accordance with 45 CFR §164.528, and provide an accounting of disclosures of PHI to the Department upon request.
- 3.3.9 The Contractor shall make internal practices, books and records, including privacy and confidentiality policies and procedures and PHI, available and DHHS, for purposes of determining whether the Department is compliant with the HIPAA Privacy Regulation in the administration of the Program.
- 3.3.10 Upon termination of the Contract, for any reason, the Contractor shall maintain all records created under the Contract as required by the Contract and shall extend the protections of this RFP and the Contract to the PHI contained in those records for so long as the Contractor maintains the PHI. All such records containing PHI shall be destroyed at the expiration of the record retention period required by the Contract.
- 3.3.11 Upon written request, the Contractor shall provide a quarterly certification to the Department that the Contractor's obligations under this RFP and the Contract have been met.
- 3.3.12 The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that the Contractor creates, receives, maintains, or transmits in performing the Contractor's obligations under the Contract.
- 3.3.13 The Contractor shall ensure that any agent, including a subcontractor, to whom it provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect such electronic PHI.
- 3.3.14 The Contractor shall report to the Department any security incident in connection with the Contractor's systems. In the event of a security incident, the Contractor shall take reasonable and appropriate steps in mitigation or remediation of the security incident and shall notify the Department of such steps.
- 3.3.15 The Contractor shall disclose PHI to the Department and to the Department's agents for the Department's use in treatment, payment and health care operations related to the Program.
- 3.3.16 The Contractor shall use and disclose the minimum amount of PHI necessary to provide the services required by the Contract.

- 3.3.17 The Contractor may disclose PHI as required by law in compliance with 45 CFR §164.512.
- 3.3.18 The Contractor may use and disclose PHI to conduct data aggregation services relating to the health care operations of the Program for use solely by the State or at the State's direction as permitted by 45 CFR §164.501 and §164.504(e)(2)(i)(B).
- 3.3.19 The Contractor may use and disclose PHI for the proper management and administration of the Contract or to carry out its legal responsibilities as permitted by 45 CFR §164.504(e)(4), provided that: (a) such uses and disclosures would be permitted by the HIPAA Privacy Regulation if the Contractor were a Covered Entity regulated by the HIPAA Privacy Regulation and (b) the Contractor obtains reasonable assurances from the person, agency, or entity to which such disclosures are made that all PHI will remain confidential and used or disclosed further only as required by law, for the purposes of the disclosure by the Contractor, and the person, agent or entity notifies the Contractor of any instances in which the confidentiality of the PHI has been breached.
- 3.3.20 The Contractor may use or disclose PHI to report violations of the law to appropriate State and federal authorities consistent with 45 CFR §164.502(j).
- 3.3.21 The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that the Contractor creates, receives, maintains, or transmits in performing the Contractor's obligations under the Contract.
- 3.3.22 The Contractor shall ensure that any agent, including a subcontractor, to whom it provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect such electronic PHI.
- 3.3.23 The Contractor shall report to the Department any security incident in connection with the Contractor's systems. In the event of a security incident, the Contractor shall take reasonable and appropriate steps in mitigation or remediation of the security incident and shall notify the Department of such steps.
- 3.3.24 In addition to the termination rights provided in the Contract, the Department may terminate the Contract, in accordance with the termination provisions of the Contract, for any breach of the HIPAA related privacy, security and administrative simplification provisions articulated in this Section 3.3.
- 3.3.25 The Contractor shall agree to modify the Contract to permit both the Contractor and the State to comply with any additional HIPAA privacy, security, or administrative simplification requirements applicable to their relationship and the Contractor's obligations pursuant to this RFP and the Contract.

3.4 Invoices

3.4.1 Invoice Format.

- A. All invoices must include the following information:
- name, address and federal tax identification number of the Contractor
 - remittance address
 - invoice period (i.e. the period during which services covered by the invoice were performed)
 - invoice date and invoice number
 - amount due
 - the Task Order Number(s) being billed
 - an expenditures report or detailed billing report that provides a description of the work performed and the date and hours worked on the State account by each of the Contractor's personnel during the invoice period
 - an identification of the labor category under which each person was working
- B. A pre-authorized representative of the Contractor must sign each invoice. Invoices submitted without the required information will not be processed for payment until the Contractor provides the required information.

3.4.2 Timing of Invoices

The Contractor shall submit invoices on a monthly basis by the 15th of each month.

- (a) In connection with fixed-fee Actuarial Services (see Section 3.1), the Contractor shall bill that percentage of the fixed fee total payment for the service that corresponds the percentage of the work needed for completion of the project that was completed in the prior month. All payments for fixed-fee Actuarial Services are progress payments only. The Contractor shall not be entitled to retain any payments unless the State accepts the final deliverable associated with the Actuarial Services. Progress payments shall be tied to tangible work which has been performed that is at least as valuable to the State as the requested payment amount. The accomplishment of tangible work is not the same as merely accruing hours of effort expended and amounts paid for materials. Rather, it means the completion of work that can be reasonably quantified, and that would not have to be redone by the State or another contractor if, for any reason, the contract would terminate as of the end of the period for which the bill has been submitted. Examples of such tangible work include records/data/information entered into a deliverable database, and document sections completed. In the event the State does not accept the completed Actuarial Services and requests Contractor repay all or a portion of the progress payments made hereunder, upon receipt by the State of such payments, the State will return all deliverables associated with such payments to Contractor.
- (b) In connection with Consulting Services that are billed on a fixed-rate hourly basis (See Section 3.7.1), the Contractor shall bill for the hours completed in the prior month.

3.5 Semi-annual Expenditure Report

On a semi-annual basis, the Contractor shall submit to the Contract Manager (or a designee at EBD) a report detailing total expenditures under the Contract, identifying at least the following:

- Year-to-date (from November 1) invoiced amounts
- Year-to-date State payments
- Projected work effort/budget requirements remaining un-invoiced for open task orders
- Contract inception to date invoiced amounts
- Contract inception to date State payments

3.6 Excluded services

Reimbursement for travel, parking and mileage will not be paid by the State under the terms of the Contract. The State will not pay for administrative or clerical services; such services must be accounted for in the Contractor's fully-loaded labor rates.

3.7 Labor Categories

3.7.1 Consultant Services

- a. All labor rates provided by the Offeror for the three consultant services labor categories outlined in the price proposal (ATTACHMENT F), shall be fully loaded labor rates including direct and indirect charges. Reimbursement for travel, parking and mileage will not be paid under the terms of the contract.
- b. In preparing the financial proposal, Offerors must use the labor categories provided for consultant services as indicated. Proposed consultant services personnel must meet the following minimum requirements for experience and proficiency to be eligible for these labor categories:
 1. Principal/Partner - Must have a minimum of ten (10) years experience providing healthcare consulting services.
 2. Senior Consultant - Must have a minimum of five (5) years experience providing healthcare consulting services.
 3. Junior Consultant - Must have a minimum of three (3) years of experience providing healthcare consulting services.

3.7.2 Actuarial Services

For any of the actuarial services required under the Contract (including the Actuarial Services identified in Section 3.1 and any other actuarial services provided as part of the general consulting services outlined in Section 3.2), the following minimum personnel requirements must be met:

- Personnel who will oversee, supervise, monitor or approve the work of others performing actuarial activities on behalf of the State must have a minimum of five (5) years experience providing actuarial services and must possess a current FSA or ASA designation from the Society of Actuaries or a similar designation from another actuarial certifying body.

3.8 Staffing

The Contractor shall adequately staff this Contract such that the State's actuarial and consulting needs are met, including as appropriate an account team. The Contractor shall designate an Account Manager to serve as the primary contact for this Contract. Additional personnel may be designated as support for these functions. For each Task Order, the Contractor may designate a lead staff person other than the Account Manager.

3.9 Conflicts of Interest

- 3.9.1 The State Ethics Law, State Government Article, §15-508, might limit the selected Contractor's ability to participate in future related procurements or to provide advice or consultation services to organizations or companies that plan to do business with the State, depending upon specific circumstances.
- 3.9.2 The Contractor will assist DBM in the evaluation, selection, award and execution of various State contracts related to the State employee benefits program. The Contractor shall perform these duties impartially and without any conflict of interest.
- 3.9.3 The Contractor shall provide periodic updates to the Department and the Procurement Officer, providing information such as that required by the Conflict of Interest affidavit attached as ATTACHMENT H, certifying whether a conflict of interest or potential conflict of interest exists. The Contractor shall notify the Department and Procurement Officer whenever the Contractor provides services to, contracts with, or receives any compensation or remuneration from an organization or company that provides services in connection with the Program.

SECTION 4 – PROPOSAL FORMAT

4.1 Two Part Submission

Offerors must submit proposals in two separate volumes:

- “Volume I – (TECHNICAL PROPOSAL)”
- “Volume II – (FINANCIAL PROPOSAL)”

4.2 Proposals

Volume I-Technical Proposal must be sealed separately from Volume II-Financial Proposal but submitted simultaneously to the Procurement Officer (address listed on Key Information Summary and in Section 1.6). This is the only address to which proposals may be submitted. An unbound original, so identified, and five (5) bound copies of each volume are to be submitted. Hard copies must be a complete proposal containing all information contained on the CDs unless otherwise directed in Section 4.

Offerors must attach to the original Technical Proposal one (1) separate CDs containing an electronic version of Volume I- Technical Proposal (in MS Excel format and WORD, as appropriate). Offerors must also attach to the original Financial Proposal one (1) separate CDs containing an electronic version of the Volume II- Financial Proposal (in MS Excel format).

Please note that the Offeror must provide separate CDs for the Technical Proposal and the Financial Proposal, resulting in two (2) CDs attached to the proposal. The CDs containing the electronic responses should be placed in separate envelopes labeled “Offeror Response CDs – Volume “X” (“X” is Volume I or Volume II, as appropriate).

4.3 Submission

Each Offeror is required to submit a separate sealed package for each Volume, to be labeled “Volume I-Technical Proposal” and “Volume II-Financial Proposal” respectively. Each sealed package must bear the RFP title and number, name and address of the Offeror, the volume number (I or II), and the closing date and time for receipt of the proposals on the outside of the package. Please label the electronic media with Volume I-Technical Proposal and Volume II-Financial Proposal, as appropriate.

All pages of both proposal volumes must be consecutively numbered from beginning (Page 1) to end (Page “x”).

4.4 Volume I – Technical Proposal

4.4.1 Transmittal Letter

A transmittal letter must accompany the Technical Proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda/amendments. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

4.4.2 Format of Technical Proposal; Required Submissions

Technical proposals must be submitted in a separate sealed package labeled "Volume I - Technical Proposal" and must bear the name and address of the Offeror, the name and number of the RFP and the closing date for proposals on the outside of the package. Inside this package an unbound original, to be so labeled, four (4) copies, and four (4) electronic copies (in MS Excel format and WORD, as appropriate) on 4 separate CDs in a separate envelope labeled as described in Section 4.2, shall be provided. The technical proposal shall include:

4.4.2.1 Title and Table of Contents

The technical proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the technical proposal. Information, which is claimed to be confidential, is to be identified after the Title Page and before the Table of Contents.

4.4.2.2 Executive Summary

The Offeror shall condense and highlight the contents of the Technical Proposal in a separate section titled "Executive Summary" including how the Offeror meets the minimum qualifications outlined in Section 2.1. The summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the contract (ATTACHMENT A), or any other attachments. Offeror shall include a signed Bid/Proposal Affidavit (ATTACHMENT B).

WARNING: Exceptions to terms and conditions of the RFP, the contract, or any other attachment may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

4.4.2.3 Response to Scope of Work

In a concise manner, the Offeror shall address each requirement in Section 3 "Scope of Work" of this RFP and describe how the Offeror's proposed services will meet those requirements. The Offeror should use the sub-headings provided by this RFP to organize the response (e.g. describe actuarial capabilities in the Technical Proposal section noted as a response to Section 3.1; provide a description of consulting provided by the Contractor in the Technical Proposal section noted as a response to Section 3.2).

If the State is seeking Offeror agreement to a requirement, the Offeror shall state agreement or disagreement. However, the Offeror should not merely rely on a stated agreement to perform the requested work; rather the Offeror should outline how the Offeror can fulfill the requested tasks in a manner that best meets the State's needs.

4.4.2.4 Conflict of Interest

Each Offeror must complete and submit a Conflict of Interest Affidavit with the Technical Proposal. A copy of this Affidavit is included as ATTACHMENT H of this RFP. If the Procurement Officer makes a determination that facts or circumstances exist that give rise to or could in the future give rise to a conflict of interest within the meaning of COMAR 21.05.08.08A, the Procurement Officer may reject an Offeror under COMAR 21.06.02.03B. In completing this affidavit, each Offeror should give special consideration to the existing contractual relationships the Department has (see ATTACHMENT I).

4.4.2.5 Corporate Experience and Capability

- A. The Offeror shall describe its overall experience and past performance in providing services similar to those solicited.
- B. As part of its offer, each Offeror is to provide a list of all contracts with any entity of the State of Maryland that it is currently performing or which has been completed within the last 5 years. For each identified contract the Offeror is to provide in its Technical Proposal:
- The State contracting entity
 - A brief description of the services/goods provided
 - The dollar value of the contract
 - The term of the contract
 - The State employee contact person (name, title, telephone number and if possible e-mail address)
 - Whether the contract was terminated before the end of the term specified in the original contract, including whether any available renewal option was not exercised.

The Procurement Officer or a designee will contact the identified State agencies, or the most appropriate ones if many contracts are involved, to ascertain the Offeror's level of performance of State contracts.

Information obtained regarding the Offeror's level of performance on State contracts will be considered as part of the experience and past performance evaluation criteria of the RFP.

- C. As part of its offer, each Offeror is to provide a list of references for which similar actuarial and consulting services have been provided, in the following categories:
- At least 3 references from governmental accounts/clients
 - At least 3 references from terminated accounts/clients

4.4.2.6 Financial Capability and Statements

The Offeror shall provide evidence that the Offeror has the financial capacity to provide the services by providing copies of the last two (2) year end financial statements (independently audited preferred). The financial statements must be for the entity proposing to provide services under this RFP and not for any prospective owners or parent companies not directly involved in the provision of services.

The Offeror shall provide a list of applicable insurance the Offeror carries for liability purposes.

4.4.2.7 Staffing Plan, Personnel, Qualification and Professional Experience

The Offeror shall provide a staffing plan, identifying its proposed Account Manager and describing how the Offeror intends to staff this Contract to meet the State's needs. As part of the staffing plan, the Offeror shall submit the resumes of the proposed staff to complete the work required by the Contract. The resumes and staffing plan may also include a description of whether the proposed staff worked on the accounts submitted as references by the Contractor.

The Offeror shall provide a short summary of the professional experience, achievements and capabilities of those staff and personnel proposed to serve as the core account team for the State's contract. For example, if the actuary proposed to lead the rate annual setting process for the State has performed similar services for other similarly sized clients, please provide a description of that actuary's period experience and role. To the extent that the resume(s) provided for such proposed staff address this level of detail and capability, the Offeror need not repeat the requested information.

4.4.2.8 Subcontractors

- A. Offerors must identify subcontractors and the role these subcontractors will have in the performance of the contract. MBE subcontractors must also be identified in the Proposal and each Subcontractor question must be answered with regard to each MBE.
- B. A summary of the experience and expertise of the proposed subcontractors shall be provided as part of the Offeror's Technical Proposal. At least one reference for each subcontractor shall also be provided.
- C. Offerors must submit completed and fully executed ATTACHMENTS D-1 and D-2 with their technical proposals.

4.4.2.9 Economic Benefit Factors

- 1) The Offeror shall describe the benefits that will accrue to the State of Maryland economy as a direct or indirect result of the Offeror's performance of the contract resulting from this RFP.

The Offeror will take into consideration the following elements. (Do not include any detail of the financial proposal with this technical information):

- a. The estimated percentage of contract dollars to be recycled into Maryland's economy in support of the contract, through the use of Maryland subcontractors, suppliers and joint venture partners. Offerors should be as specific as possible and provide a percentage breakdown of expenditures in this category.
 - b. The estimated number and types of jobs for Maryland residents resulting from this contract. Indicate job classifications, number of employees in each classification, and the aggregate Maryland payroll percentages to which the contract has committed at both prime and, if applicable, subcontract levels.
 - c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this contract. Indicate tax category (sales tax, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the contract.
 - d. The estimated percentage of subcontract dollars committed to Maryland small businesses and MBEs.
- 2) In addition to the factors listed above, the Offeror should explain any other economic benefit to the State of Maryland that would result from the Offeror's proposal.

4.5 Volume II - Financial Proposal

Under separate sealed cover from the Technical Proposal and clearly identified with the same information noted on the Technical Proposal, the Offeror must submit an original unbound copy, four (4) bound copies, and four (4) electronic copies (in MS Excel format on 3 separate CDs) in a separate envelope labeled as described in Section 4.2, of the Financial Proposal. The Financial Proposal must contain all cost information in the format specified in ATTACHMENT F.

SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

5.1 Evaluation Criteria

Evaluation of the proposals will be performed by a committee organized for that purpose. Evaluations will be based on the criteria set forth below.

5.2 Technical Criteria

The criteria to be applied to each technical proposal are as follows, listed in descending order of importance:

1. Response to Scope of Work (RFP Section 4.4.2.3)
2. Corporate Experience and Capability; Financial Capability and Statements; and Subcontractors (RFP Sections 4.4.2.5; 4.4.2.6; & 4.4.2.8)

3. Staffing Plan, Personnel, Qualification and Professional Experience (RFP Section 4.4.2.7)
4. Economic Benefit Factors (RFP Section 4.4.2.9)

5.3 Financial Criteria

All qualified Offerors will be ranked from the lowest to the highest price based on the total price propose as shown in Attachment F.

5.4 Reciprocal Preference

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal law or grant affecting the procurement contract. The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

5.5 Selection Procedures

5.5.1 General Selection Process

The contract will be awarded in accordance with the competitive sealed proposals process under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals.

5.5.2 Selection Process Sequence

- 1) The first level of review will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform, and to facilitate arrival at a contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in

discussions within two to four weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.

- 2) Offerors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.
- 3) The financial proposal of each Offeror will be evaluated separately from the technical evaluation. After a review of the financial proposals of Offerors, the Procurement Officer may again conduct discussions.
- 4) When in the best interest of the State, the Procurement Officer may permit Offerors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs).

5.6. Award Determination

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the contract to the responsible Offeror whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors will be given greater weight than price factors.

ATTACHMENTS

ATTACHMENT A- ACTUARIAL AND CONSULTANT SERVICES CONTRACT

ATTACHMENT B- BID/PROPOSAL AFFIDAVIT

ATTACHMENT C- CONTRACT AFFIDAVIT

ATTACHMENT D- MINORITY BUSINESS ENTERPRISE PARTICIPATION

ATTACHMENT E- PRE-PROPOSAL CONFERENCE RESPONSE FORM

ATTACHMENT F- PRICE PROPOSAL INSTRUCTIONS AND FORM

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ATTACHMENT A - ACTUARIAL AND CONSULTANT SERVICES CONTRACT

THIS CONTRACT is made this _____ day of _____, 2006 by and between _____ and the MARYLAND DEPARTMENT OF BUDGET AND MANAGEMENT.

IN CONSIDERATION of the premises and the covenants herein contained, the parties agree as follows:

Definitions

In this Contract, the following words have the meanings indicated:

- 1.1 “Actuarial Services” means those services described in Section 3.1 of the RFP.
- 1.2 “Consultant Services” means those services described in Section 3.2. of the RFP.
- 1.3 “Contract” means this Contract for Actuarial and Consultant Services.
- 1.4 “Contractor” means _____ whose principal business address is _____.
- 1.5 “Contract Manager” means the individual identified in section 1.6 of the RFP or a successor designated by the Department.
- 1.6 “Department” means the Maryland Department of Budget and Management.
- 1.7 “Financial Proposal” means the Contractor’s Financial Proposal dated _____.
- 1.8 “Procurement Officer” means the individual identified in section 1.6 of the RFP or a successor designated by the Department.
- 1.9 “RFP” means the Request for Proposals for Actuarial and Consultant Services, No. F10R7200001 dated June 27, 2006.
- 1.10 “State” means the State of Maryland.
- 1.11 “Technical Proposal” means the Contractor’s Technical Proposal, dated _____.

2. Scope of Work

2.1 The Contractor shall provide consultant and actuarial services for the Maryland State Employees and Retirees Health and Welfare Benefits Program. These services shall be provided in accordance with this Contract and the following exhibits, which are attached and incorporated herein by reference:

Exhibit A - The RFP.

Exhibit B - The Technical Proposal.

Exhibit C - The Financial Proposal.

Exhibit D – State Conflict of Interest Affidavit.

2.2 If there are any inconsistencies between this Contract and Exhibits A, B, C, and D, the terms of this Contract shall control. If there is any conflict among the Exhibits, Exhibit A shall control.

2.3 The Procurement Officer may, at any time, by written order, make changes in the work within the general scope of the Contract. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under Article 9, Disputes. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

3. Time for Performance

The Contractor shall begin providing services under this Contract upon the later of execution by the Department or November 1, 2006. Unless terminated earlier as provided in this Contract, the Contractor shall continue to provide services until October 30, 2009. The State, at its sole option, has the unilateral right to extend the term of the Contract for up to two additional, successive one-year calendar year terms.

4.1 Consideration and Payment

In consideration of the satisfactory performance of the work set forth in this Contract, the Department shall pay the Contractor in accordance with the terms of Exhibit C, Contractor's Financial Proposal. Except with the express written consent of the Procurement Officer, payment to the Contractor for the services required pursuant to this Contract shall not exceed \$ _____ during the entire term of this Contract, including the base term and any option exercised by the State.

4.2 Invoices must be provided in the format and on the schedule identified in the RFP. Each invoice must reflect the Contractor's federal tax identification number, which is _____. The Contractor's e-MarylandMarketplace identification number is _____.

Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited. The final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

4.3 In addition to any other available remedies if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer pursuant to this Contract

4.4 Electronic funds transfer will be used by the State to pay the Contractor for this Contract and any other State payments due Contractor unless the State's Comptroller Office grants the Contractor an exemption.

5. Personnel

5.1 Contractor agrees that all personnel identified in its Technical Proposal shall be assigned to the State account for the term of the Contract, including any extension, unless such personnel are no longer employed by the Contractor.

5.2 For each individual assigned by the Contractor to complete work pursuant to the Contract for whom the Contractor has not previously provided a resume to the Department, the Contractor shall provide a resume and identification of the labor category under which the individual shall work with the Task Order response provided by the Contractor.

6. Rights to Records

6.1 The Contractor agrees that all documents and materials, including but not limited to, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations and data prepared by the Contractor for purposes of this Contract shall be the sole property of the Department and shall be available to the Department at any time. The Department shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract. Nothing in this Article 6 shall abrogate or transfer any intellectual property rights of the Contractor in its proprietary information related to its methodologies, methods of analysis, ideas, know-how, methods, techniques and skills possessed prior to this Contract.

6.2 The Contractor agrees that at all times during the term of this Contract and thereafter, the works created and services performed under this Contract shall be "works made for hire" as that term is interpreted under U.S. copyright law. To the extent that any products created under this Contract are not works for hire for the Department, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property

rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

6.3 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.

6.4 The Contractor shall not affix any restrictive markings upon any data and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

6.5 Upon termination of this Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.

7. Confidentiality

Subject to the Maryland Public Information Act and any other applicable laws, including the Health Insurance Portability and Accountability Act, the Maryland Confidentiality of Records Act and the implementing regulations promulgated pursuant thereto, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems) shall be held in absolute confidence by the other party. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law and the confidentiality provisions of the RFP. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

8. Non-Hiring of Employees

No official or employee of the State of Maryland as defined under State Government Article section 15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract shall, during the pendency and term of this Contract and while serving as an official or employee of the State become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

9. Disputes

This Contract shall be subject to the provisions of Title 15, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the

Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

10. Maryland Law

This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

11. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

12. Contingent Fee Prohibition

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the Contractor to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee, bona fide salesperson or commercial selling agency, any fee or other consideration contingent on the making of this Contract.

13. Nonavailability of Funding

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not

be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

14. Termination for Cause

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State of Maryland shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

15. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract; provided, however, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12 (A)(2).

16. Delays and Extensions of Time

The Contractor agrees to perform the work under this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

17. Suspension of Work

The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer or Contract Manager may determine to be appropriate for the convenience of the State.

18. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

19. Financial Disclosure

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, which requires that every business that enters into contracts, leases, or other agreement with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

20. Political Contribution Disclosure

The Contractor shall comply with the Election Law Article, Sections 14-101 through 14-108, of the Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county or an incorporated municipality or their agencies, during a calendar year under which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

21. Retention of Records

The Contractor shall retain and maintain all records and documents in any way relating to this Contract for six years after final payment by the State of Maryland under this Contract or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or the Procurement Officer's designee, at all reasonable times. All records related in any way to the Contract are to be retained for the entire time provided under this section.

22. Compliance with Laws

The Contractor hereby represents and warrants that:

A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;

B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;

C. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and

D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

23. Cost and Price Certification

By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations.

The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon by the parties, was inaccurate, incomplete, or not current.

24. Subcontracting; Assignment

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State of Maryland, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall include the terms of sections 8, and 10 through 23 of this Contract and any other terms and conditions that the State deems necessary to protect its interests. The State shall not be responsible for the fulfillment of the Contractor's obligations to the subcontractors.

25. Indemnification

25.1 The Contractor shall indemnify the State against liability for any costs, expenses, loss, suits, actions, or claims of any character arising from or relating to the performance of the Contractor or its subcontractors under this Contract.

25.2 The State of Maryland has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.

25.3 The State has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.

25.4 The Contractor shall immediately notify the Procurement Officer of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Contract, and will cooperate, assist, and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's performance under this Contract.

26. Administrative

26.1 Procurement Officer. The work to be accomplished under this Contract shall be performed under the direction of the Procurement Officer and the Contract Manager. All matters relating to the interpretation of this Contract shall be referred to the Procurement Officer for determination.

26.2 Notices. All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the State: State of Maryland
Director of Employee Benefits
301 W. Preston Street, Room 510
Baltimore, MD 21201

If to the Contractor:

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

CONTRACTOR

MARYLAND DEPARTMENT OF
BUDGET AND MANAGEMENT

By:

By: Cecilia Januszkiewicz, Secretary

Date

Date

Witness

Witness

Approved for form and legal
sufficiency this _____ day
of _____ 2006.

Assistant Attorney General

APPROVED BY BPW: _____
(Date)

(BPW Item #)

ATTACHMENT B - BID/PROPOSAL AFFIDAVIT
(Authorized Representative and Affiant)

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

C. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders or any of its employees directly involved in the business's contracting activities, has:

(1) Been convicted under state or federal statute of:

(a) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961, et seq., or the Mail Fraud

Act, 18 U.S.C. §1341, et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of the Section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (1) through (5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; or

(8) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in Section B and subsections (1) through (7) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

D. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

E. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

F. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

G. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

- (1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;
- (2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or Offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

H. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

I. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

J. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
 - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
 - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
 - (c) Prohibit its employees from working under the influence of drugs or alcohol;
 - (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
 - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
 - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
 - (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business' policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
 - (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §J(2)(b), above;
 - (h) Notify its employees in the statement required by §J(2)(b), above, that as a condition of continued employment on the contract, the employee shall:
 - (i) Abide by the terms of the statement; and

- (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;
- (i) Notify the procurement officer within 10 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;
- (j) Within 30 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:
 - (i) Take appropriate personnel action against an employee, up to and including termination; or
 - (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and
- (k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §J(2)(a)—(j), above.
- (3) If the business is an individual, the individual shall certify and agree as set forth in §J(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.
- (4) I acknowledge and agree that:
 - (a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;
 - (b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and
 - (c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

K. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic ___) (foreign ___) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is (IF NOT APPLICABLE, SO STATE):

Name: _____
 Address: _____

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

L. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

M. Repealed.

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)

ATTACHMENT C - CONTRACT AFFIDAVIT

COMAR 21.07.01.25

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the _____(title) and the duly authorized representative of _____(business) and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic_____) (foreign_____) corporation registered in accordance with Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessment and Taxation is:

Name: _____

Address: _____

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor Licensing and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgments contained in that certain Bid/Proposals Affidavit dated_____,

20____, and executed by me for the purposed of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: _____

BY: _____
(Signature)

(Authorized Representative and Affidavit)

ATTACHMENT D - MINORITY BUSINESS ENTERPRISE PARTICIPATION

State of Maryland
DEPARTMENT OF BUDGET AND MANAGEMENT

PURPOSE

COMARS 21.11.03 Provide maximum contracting opportunities be extended to certified minority business enterprises, and establishes.

The Prime Contractor shall structure its procedures for the performance of the work required in this contract to attempt to achieve the Minority Business Enterprise (MBE) goal stated in the Invitation for Bids (IFB) or Request for Proposals (RFP). MBE performance must be in accordance with this Exhibit, as authorized by Minority Business Enterprise Policies as set forth by 21.11.03 of the Code of Maryland Regulations (COMAR). Accordingly, the Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this Exhibit.

To meet the goal using MBE subcontractors, all Prime Contractors must:

- Identify work areas for subcontracting
- Solicit minority business enterprises through written notice or personal contact
- Help minority businesses meet bonding requirements or grant them a waiver of bonding requirements
- Identify their MBE subcontractors at the time they submit their bids or proposals

MBE GOALD AND SUB GOALS



An MBE subcontract participation goal of 27% percent of the total contract dollar amount has been established for this procurement. By submitting a response to this solicitation, the bidder or Offeror agrees that this dollar amount of the contract will be performed by certified minority business enterprises

OR



An overall MBE subcontract participation goal of ___ percent of the total contract dollar amount has been established for this procurement. This dollar amount includes:

- A sub-goal of ___ percent of the total contract dollar amount to be allocated to certified minority business enterprises classified as women-owned businesses.
- A sub-goal of ___ percent of the total contract dollar amount to be allocated to certified minority business enterprises classified as African American-owned businesses.

By submitting a response to this solicitation, the bidder or Offeror agrees that these dollar amounts of the contract will be performed by certified minority business enterprises as specified.

- ◆ A prime contractor — including an MBE prime contractor — must accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors. (COMARS 21.11.03.09B(2))

- ◆ A prime contractor comprising a joint venture that includes MBE partner(s) must accomplish the MBE subcontract goal with certified MBE subcontractors.

SOLICITATION AND CONTRACT FORMATION

- ◆ A bidder or Offeror must include with its bid or offer:
 - (1) A completed Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1) whereby the bidder or Offeror acknowledges the certified MBE participation goal or requests a waiver, commits to make a good faith effort to achieve the goal, and affirms that MBE subcontractors were treated fairly in the solicitation process.
 - (2) A completed MBE Participation Schedule (Attachment D-2) whereby the bidder or Offeror responds to the expected degree of Minority Business Enterprise participation as stated in the solicitation, by identifying the specific commitment of certified Minority Business Enterprises at the time of submission. The bidder or Offeror shall specify the percentage of contract value associated with each MBE subcontractor identified on the MBE Participation Schedule.
 - a. **COMARS 21.11.03.09C(5) The failure of a bidder to complete and submit the MBE utilization affidavit and the MBE participation schedule shall result in a determination that the bid is not responsive.**
 - b. **COMARS 21.11.03.09C(6) The failure of an Offeror to complete and submit the MBE utilization affidavit and the MBE participation schedule shall result in a determination that the proposal is not susceptible of being selected for award.**
- ◆ Within 10 working days from notification that it is the apparent awardee or from the date of the actual award, whichever is earlier, the apparent awardee must provide the following documentation to the Procurement Officer.
 - (1) Outreach Efforts Compliance Statement (Attachment D-3)
 - (2) Subcontractor Project Participation Statement (Attachment D-4)
 - (3) If the apparent awardee has requested a waiver (in whole or in part) of the overall MBE goal or of any sub-goal as part of the previously submitted Attachment D-1, it must submit documentation supporting the waiver request that complies with COMAR 21.11.03.11.
 - (4) Any other documentation required by the Procurement Officer to ascertain bidder or Offeror responsibility in connection with the certified MBE participation goal.

NOTE: If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

MBE REPORTING INSTRUCTIONS

Prime Contractor shall:

1. Submit by the 15th of each month to the Department a separate report for each (Attachment D-5) Subcontractor. The report shall lists:
 - a) all payments made to the MBE subcontractor during the previous 30 days
 - b) **any unpaid invoices over 30 days old received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made.**
2. Include in its written agreements with the MBE subcontractors as listed on the MBE Participation Schedule a requirement that those subcontractors submit monthly to the Department a report (**Attachment D-6**) that identifies the prime contract. The D-6 report shall lists:
 - a) all payments received from the Prime Contractor during the previous 30 days
 - b) any outstanding invoices to include number and date, and the invoice amount
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. **Subcontract agreements documenting the work performed by all MBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.**
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. **Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the contract.**
5. At the option of the Procurement Agency, upon completion of the contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

Attachments

- D-1 Certified MBE Utilization and Fair Solicitation Affidavit (must be submitted with bid or offer)
- D-2 MBE Participation Schedule (must be submitted with bid or offer)
- D-3 Outreach Efforts Compliance Statement (must be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)

- D-4 Subcontractor Project Participation Statement (must be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)
- D-5 Prime Contractor Paid/Unpaid MBE Invoice Report (must be submitted monthly by the Prime Contractor)
- D-6 Subcontractor Paid/Unpaid MBE Invoice Report (must be submitted monthly by the MBE subcontractor)

Attachment D-1
Certified MBE Utilization and Fair Solicitation
AFFIDAVIT

This document shall be included with the submittal of the bid or offer. If the bidder or Offeror fails to submit this form with the bid or offer, the Procurement Officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award. (COMARS 21.11.03.09C(5) and 21.11.03.09C(6))

In conjunction with the bid or offer submitted in response to Solicitation No. F10R7200001, I affirm the following:

1. I acknowledge the overall certified Minority Business Enterprise (MBE) participation goal of 27% percent and, if specified in the solicitation, sub-goals of 0 percent for MBEs classified as African American-owned and 0 percent for MBEs classified as women-owned. I have made a good faith effort to achieve this goal.

2.

OR

After having made a good faith effort to achieve the MBE participation goal, I conclude I am unable to achieve it. Instead, I intend to achieve an MBE goal of _____% and request a waiver of the remainder of the goal. If I submit the apparent low bid or am selected as the apparent awardee (competitive sealed proposals), I will submit written waiver documentation that complies with COMAR 21.11.03.11 within 10 business days of receiving notification that our firm is the apparent low bidder or the apparent awardee.

2. I have identified the specific commitment of certified Minority Business Enterprises by completing and submitting an MBE Participation Schedule (Attachment D-2) with the bid or proposal.
3. I acknowledge that the MBE subcontractors/suppliers listed in the MBE Participation Schedule will be used to accomplish the percentage of MBE participation that I intend to achieve.
4. I understand that if I am notified that I am the apparent awardee, I must submit the following documentation within 10 working days of receiving notice of the potential award or from the date of conditional award (per COMAR 21.11.03.10), whichever is earlier.
 - (a) Outreach Efforts Compliance Statement (Attachment D-3)
 - (b) Subcontractor Project Participation Statement (Attachment D-4)
 - (c) MBE Waiver Documentation per COMAR 21.11.03.11 (if applicable)
 - (d) Any other documentation required by the Procurement Officer to ascertain bidder or Offeror responsibility in connection with the certified MBE participation goal.

If I am the apparent awardee, I acknowledge that if I fail to return each completed document within the required time, the Procurement Officer may determine that I am not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

5. In the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors. I solemnly affirm under the penalties of perjury that the contents of this paper are true to the best of my knowledge, information, and belief.

Bidder/Offeror Name

Signature of Affiant

Address

Printed Name, Title

Date

SUBMIT THIS AFFIDAVIT WITH BID/PROPOSAL

Attachment D-2
MBE Participation Schedule
(for submission with bid or proposal)

This document shall be included with the submittal of the bid or offer. If the bidder or Offeror fails to submit this form with the bid or offer, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.

Prime Contractor (Firm Name, Address, Phone)	Project Description
Project Number	
List Information For Each Certified MBE Subcontractor On This Project	
Minority Firm Name	MBE Certification Number
<i>Work To Be Performed/NAICS</i>	
<i>Percentage of Total Contract</i>	
Minority Firm Name	MBE Certification Number
<i>Work To Be Performed/NAICS</i>	
<i>Percentage of Total Contract</i>	
Minority Firm Name	MBE Certification Number
<i>Work To Be Performed/NAICS</i>	
<i>Percentage of Total Contract</i>	

USE ATTACHMENT D-2 CONTINUATION PAGE AS NEEDED

SUMMARY

TOTAL MBE PARTICIPATION:	_____	%
TOTAL WOMAN-OWNED MBE PARTICIPATION:	_____	%
TOTAL AFRICAN AMERICAN-OWNED MBE PARTICIPATION:	_____	%

Document Prepared By: (please print or type)

Name: _____ Title: _____

ATTACHMENT D-2
 MBE Participation Schedule (continued)

List Information For Each Certified MBE Subcontractor On This Project	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	
Minority Firm Name	MBE Certification Number
Work To Be Performed/NAICS	
Percentage of Total Contract	

Attachment D-3
Outreach Efforts Compliance
Statement

In conjunction with the bid or offer submitted in response to Solicitation No. F10R7200001, I state the following:

1. Bidder/ Offeror took the following efforts to identify subcontracting opportunities in these specific work categories:

2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit certified MBEs for these subcontract opportunities.

3. Bidder/Offeror made the following attempts to contact personally the solicited MBEs:

4. Bidder/Offeror assisted MBEs to fulfill or to seek waiver of bonding requirements. (DESCRIBE EFFORTS)

- This project does not involve bonding requirements.

5. Bidder/Offeror did/did not attend the pre-bid/proposal conference
 No pre-bid/proposal conference was held.

Bidder/Offeror Name

By: _____
Name

Address

Title

Date

**ATTACHMENT D-4
Subcontractor Project Participation
Statement**

**SUBMIT ONE FORM FOR EACH MBE
LISTED ON THE MBE PARTICIPATION SCHEDULE**

Provided that _____ is awarded the State contract in conjunction with
(Prime Contractor Name)
Solicitation No.F10R7200001, it and _____,
(Subcontractor Name)

MDOT Certification No. _____, intend to enter into a contract by which subcontractor shall:

(describe work) _____

- No bonds are required of Subcontractor
- The following amount and type of bonds are required of Subcontractor:

By:

By:

Prime Contractor Signature

Subcontractor Signature

Name

Name

Title

Title

Date

Date

ATTACHMENT D-5

This form is to be completed monthly by the prime contractor.

**Maryland Department of Budget and Management
Minority Business Enterprise Participation
Prime Contractor Paid/Unpaid MBE Invoice Report**

Report #: _____	Contract #:
Reporting Period (Month/Year): _____	Contracting Unit:
Report is due by the 15th of the month following the month the services were provided.	Contract Amount:
	MBE Subcontract Amt:
	Project Begin Date:
	Project End Date:
	Services Provided:

Prime Contractor:		Contact Person:	
Address:			
City:		State:	ZIP:
Phone:	FAX:		
Subcontractor Name:		Contact Person:	
Phone:	FAX:		
Subcontractor Services Provided:			
List all payments made to MBE subcontractor named above during this reporting period:		List dates and amounts of any outstanding invoices:	
	<u>Invoice#</u>	<u>Amount</u>	
1.			1.
2.			2.
3.			3.
Total Dollars Paid: \$ _____		Total Dollars Unpaid: \$ _____	

**If more than one MBE subcontractor is used for this contract, you must use separate D-5 forms.

****Return one copy (hard or electronic) of this form to the following address (electronic copy with signature and date is preferred):**

MBE Officer Department of Budget and Management Procurement Unit 45 Calvert Street, 1 st Floor Annapolis, MD 21401 MBEOfficer@dbm.state.md.us

Signature: _____ Date: _____

ATTACHMENT D-6
Minority Business Enterprise Participation
Subcontractor Paid/Unpaid MBE Invoice Report

Report#: _____ Reporting Period (Month/Year): _____ Report is due by the 15th of the month following the month the services were performed.	Contract # _____ Contracting Unit: _____ MBE Subcontract Amount: _____ Project Begin Date: _____ Project End Date: _____ Services Provided: _____
---	--

MBE Subcontractor Name: _____																															
MDOT Certification #: _____																															
Contact Person: _____																															
Address: _____																															
City: _____	State: Maryland	ZIP: _____																													
Phone: _____	FAX: _____																														
Subcontractor Services Provided:																															
List all payments received from Prime Contractor during reporting period indicated above. <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:40%; text-align: center;"><u>Invoice Amt</u></th> <th style="width:15%; text-align: center;"><u>Date</u></th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr> <td>Total Dollars Paid: \$</td> <td>_____</td> <td></td> </tr> </tbody> </table>		<u>Invoice Amt</u>	<u>Date</u>	1.			2.			3.			Total Dollars Paid: \$	_____		List dates and amounts of any unpaid invoices over 30 days old. <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:40%; text-align: center;"><u>Invoice Amt</u></th> <th style="width:15%; text-align: center;"><u>Date</u></th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr> <td>Total Dollars Unpaid: \$</td> <td>_____</td> <td></td> </tr> </tbody> </table>		<u>Invoice Amt</u>	<u>Date</u>	1.			2.			3.			Total Dollars Unpaid: \$	_____	
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1.																															
2.																															
3.																															
Total Dollars Paid: \$	_____																														
	<u>Invoice Amt</u>	<u>Date</u>																													
1.																															
2.																															
3.																															
Total Dollars Unpaid: \$	_____																														
Prime Contractor: _____ Contact Person _____																															

****Return one copy (hard or electronic) of this form to the following address (electronic copy with signature and date is preferred):**

MBE Officer Department of Budget and Management Procurement Unit 45 Calvert Street, 1 st Floor Annapolis, MD 21401 MBEOfficer@dbm.state.md.us

Signature: _____ Date: _____

ATTACHMENT E - PRE-PROPOSAL CONFERENCE RESPONSE FORM

Project No. F10R7200001

Project Title: Consultant and Actuarial Services for State Employee and Retiree Benefits Program

A Pre-proposal Conference will be held on July 14, 2006 at 10:00 local time at:

Baltimore State Office Complex
201 W. Preston St.
Conference Room L-3, Main Lobby Level
Baltimore, Md. 21201

Directions to the Pre-proposal meeting site:

From I-95: Exit I-395 North, exit Martin Luther King (MLK) Blvd, continue north on MLK to Eutaw Street. Left on Eutaw Street, one block to right on Preston Street. One block to left into Public Parking Lot. 201 W. Preston Street is directly across from the parking lot.

Please e-mail, Fax or return this form by 1:00 PM on Thursday, July 13, 2006 advising whether or not you plan to attend this Conference.

E-mail or fax this form to the Procurement Officer:

Ms. Joy Epstein
Office Phone: (410) 260-7570
Fax: (410) 974-3274
E-mail: jepstein@dbm.state.md.us

Please indicate:

_____ Yes, the following representatives will be in attendance:

- 1.
- 2.
- 3.

_____ No, we will not be in attendance.

Company/Firm/Vendor Name

Telephone

Contact Name

ATTACHMENT F - PRICE PROPOSAL INSTRUCTIONS AND FORM

Instructions:

1. In Section #1:
 - ◆ Record for each contract year and option years, the proposed annual price for actuarial services as outlined in RFP Section 3.
 - ◆ Add column, Proposed Annual Price and record the results on the line 1A, Sub-total, Actuarial Services
2. In Section #2:
 - ◆ Record for each labor classification, the proposed fully-loaded hourly rate.
 - ◆ Multiply the proposed fully-loaded hourly rate by the hours provide.
 - ◆ Record the results for each labor classification, in the extended price column.
 - ◆ Add the extended price column and record on the line 2A, Sub-total, Consulting Services
3. In Section #3,
 - ◆ Add line 1A Sub-total, Evaluated Price Actuarial Services and line 2A Sub-total, Evaluated Price Consulting Services and record the results on line #3, Total Evaluated Price Proposed. Total Evaluated Price Proposed will be the basis for establishing the financial ranking of all offers from lowest (Best Price) to highest (most expensive price).
4. The Annual Price for Actuarial Services and the Hourly Labor Rates must be recorded in dollars and cents, EX: \$100.00.
5. Although the Offeror is required to propose fixed firm rates for the option year periods for Actuarial Services, the Offeror is required to propose fixed fully-loaded hourly labor rates for Consulting Services. These fixed fully-loaded hourly labor rates are fixed for the entire base term of the Contract. Fixed fully-loaded hourly labor rates for the option years have been set in accordance with the RFP, 1.4.2.

**ATTACHMENT F - PRICE PROPOSAL FORM
for F10R7200001**

1. PROPOSED ANNUAL PRICE, ACTUARIAL SERVICES	
Actuarial Services for	Proposed Annual Price *
Contract Year 1	\$
Contract Year 2	\$
Contract Year 3	\$
Contract Year 4 (OPTION)	\$
Contract Year 5(OPTION)	\$
1A. Sub-total, Actuarial Services	\$

* Note:

(1) Proposed Annual Price may vary year to year.

2. PROPOSED PRICE, CONSULTING SERVICES			
Labor Classification	Hourly Rate **	Hours **	Extended Price
Principal	\$	1600	\$
Senior Consultant	\$	6500	\$
Junior Consultant	\$	6000	\$
2A. Sub-Total, Consulting Services			\$

** Note:

(1) Hours are estimates; actual hours will be based on need.

(2) If a task order begins in one year and is completed in a subsequent year, hourly rates will be paid based on the rate in effect at the start of the task order.

(3) The Hourly Rate is the actual rate the State will pay for services and must be recorded in dollars and cents.

3. TOTAL ACTUARIAL and CONSULTING SERVICES	
#3 - Total Evaluated Price Proposed (Add Sub-totals, 1A+ 2A	\$

Authorized Signature

Printed Name and Title

Phone # & Fax #

Company Name

Company Tax ID #

ATTACHMENT G - CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

Whereas Offeror intends to submit a proposal in response to State of Maryland Solicitation No. F10R7200001 (the "RFP") for actuarial and consulting services,

Whereas, in order for the Offeror to submit a proposal, the Offeror requires access to certain utilization data and reporting formats submitted from the third party administrators of certain State health and welfare benefit plans, and

Whereas, the utilization data that State can provide to the Offeror, in electronic form or on a computer diskette, contains confidential data that the State desires to protect from unauthorized disclosure and use ("Confidential Data"),

Now, Therefore, in consideration of the release of Confidential Data and other promises, covenants and valuable consideration contained herein, the parties agree as follows:

1. Offeror will not copy, disclose, publish, release, transfer, disseminate or use for any purpose in any form, any of the Confidential Data except in connection with the preparation of its proposal. Offeror will not identify or attempt to identify any individual from the Confidential Data or contact any individual for whom any information is provided as part of the Confidential Data.
2. Each employee, agent or subcontractor of the Offeror who receives or has access to the Confidential Data shall execute a copy of this RFP and the Contract and Offeror shall provide the executed RFP and the Contract to the State.
3. Offeror will use appropriate safeguards to prevent the use or disclosure of the Confidential Data other than as specifically provided in this RFP and the Contract. Offeror will report to the State any use or disclosure of the Confidential Data that is not authorized pursuant to this RFP and the Contract.
4. The original electronic media or computer diskette containing the Confidential Data shall be returned to the State before or coinciding with the submission of Offeror's proposal. No copies of the Confidential Data in any form shall be retained after submission of a proposal; at that time, all copies of the Confidential Data that were prepared, made or used in the course of preparing a proposal will have been destroyed in such a manner as to make retrieval of the Confidential Data impossible. If the Offeror does not submit a proposal, the Offeror shall return the Confidential Data to the Department on or before the due date for proposals.
5. Offeror acknowledges that the disclosure or unauthorized use of the Confidential Data will cause irreparable harm to the State and agrees that the State may obtain an injunction to prevent the disclosure or copying of the Confidential Data. The Offeror consents to personal jurisdiction in the Maryland State Courts.

6. Offeror acknowledges that pursuant to Section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland a person may not willfully make a false or fraudulent statement or representation of a material fact in connection with a procurement contract. Persons making such statements are guilty of a felony and on conviction subject to a fine of not more than \$20,000 and/or imprisonment not exceeding 5 years. Offeror further acknowledges that this RFP and the Contract is a statement made in connection with a procurement contract.

7. Offeror agrees to indemnify the State of Maryland and to hold it harmless from any and all losses, claims or damages the State may suffer or be exposed to because of any use or disclosure by Offeror of any of the Confidential Data that is not permitted by this RFP and the Contract. Offeror acknowledges that disclosure or unauthorized use of the Confidential Data may make the Offeror subject to suit from the subject(s) of the Confidential Data.

8. This RFP and the Contract shall be governed by the laws of the State of Maryland.

9. Offeror hereby acknowledges receipt of Confidential Data.

10. The undersigned represents and warrants that he/she has the authority to bind the Offeror to the provisions of this RFP and the Contract.

OFFEROR

MARYLAND DEPARTMENT OF
BUDGET AND MANAGEMENT

By (Name):
Title:

By: Joy Epstein
Procurement Officer

Date

Date

Witness

Witness

ATTACHMENT H - CONFLICT OF INTEREST AFFIDAVIT/DISCLOSURE

A. "Conflict of interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the State, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

B. "Person" has the meaning stated in COMAR 21.01.02.01B(64) and includes a bidder, Offeror, Contractor, consultant, or subcontractor or sub consultant at any tier, and also includes an employee or agent of any of them if the employee or agent has or will have the authority to control or supervise all or a portion of the work for which a bid or offer is made.

C. The bidder or Offeror warrants that, except as disclosed in §D, below, there are no relevant facts or circumstances now giving rise or which could, in the future, give rise to a conflict of interest.

D. The following facts or circumstances give rise or could in the future give rise to a conflict of interest (explain in detail—attach additional sheets if necessary):

E. The bidder or Offeror agrees that if an actual or potential conflict of interest arises after the date of this affidavit, the bidder or Offeror shall immediately make a full disclosure in writing to the procurement officer of all relevant facts and circumstances. This disclosure shall include a description of actions which the bidder or Offeror has taken and proposes to take to avoid, mitigate, or neutralize the actual or potential conflict of interest. If the contract has been awarded and performance of the contract has begun, the Contractor shall continue performance until notified by the procurement officer of any contrary action to be taken.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____

(Authorized Representative and Affiant)

ATTACHMENT I - CURRENT BENEFITS CONTRACTS

Vendor Name, Description of Services & ADPICS Number	Contract Manager	Contract Starting Date	Contract Ending Date	*Available Renewal Options
<p>This contract provides for a Third party administrator to administer the employee pay-all group Accidental Death & Dismemberment benefit for State employees.</p> <p>Metropolitan Life</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>1/01/03</p>	<p>12/31/05</p>	<p>2 option #1 1/1/06- 12/31/06 option #2 1/1/07- 12/31/07 Rebid 2007</p>
<p>This contract provides for a Third party administrator to administer the Term Life Insurance Plan Administration & Indemnification for State employees.</p> <p>The Standard</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>1/01/03</p>	<p>12/31/05</p>	<p>2 option #1 1/1/06- 12/31/06 option #2 1/1/07- 12/31/07 Rebid 2007</p>
<p>IVR & BAS Administrative System. The contractor shall provide integrated interactive voice response and benefits administration systems and services for the Dept. for the use in administration of employee benefit plans.</p> <p>MS Technologies, Inc. BAS/IVR modification</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>BAS/IVR Maintenance</p>	<p>3/31/08</p>	
<p>IVR & BAS Administrative System. The contractor shall provide integrated interactive voice response and benefits administration systems and services for the Dept. for the use in administration of employee benefit plans.</p> <p>MS Technologies, Inc. 1. BAS Enhancements Project</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>for BAS Enhancements Project</p>	<p>3/31/08</p>	

Vendor Name, Description of Services & ADPICS Number	Contract Manager	Contract Starting Date	Contract Ending Date	*Available Renewal Options
<p>Contract to perform Third Party Administrative services for Flexible Spending Account Plans - Employee Benefit Health Care and Dependent Care programs Flexible Spending Accounts provide employees with pre-tax dollars to cover health care expenses not covered by insurance and dependent care expenses (i.e., day care).</p> <p>SHPS, Inc.</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>7/1/05</p>	<p>6/30/10</p>	
<p>This contract provides for a Third party administrator to administer the Group Long Term Care Program for State employees, retirees, satellite agencies, contractual and part-time employees. Group Long Term insurance benefits include: coverage for nursing home care, home health care services, etc.</p> <p>Prudential Insurance Co. of America</p>	<p>DBM/OPSB/ EBD (410) 767-4710</p>	<p>7/1/06</p>	<p>6/30/11</p>	
<p>This contract provides for a Third party administrator to administer the Dental, DHMO & DPOS Services for State employees and retirees. The dental benefits are available through two plan options 1) Dental Health Maintenance Organization (DHMO) plan and a Dental Point-of-Service (DPOS) plan.</p> <p>United Concordia DHMO/DPOS Dental Benefit Providers/DPOS</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>1/1/05</p>	<p>6/30/07 with a (2) one year renewal option</p>	

Vendor Name, Description of Services & ADPICS Number	Contract Manager	Contract Starting Date	Contract Ending Date	*Available Renewal Options
<p>This contract provides for a Third party administrator to oversee the PPO Health Benefits Plan administration & claims disbursement for State employees and retirees.</p> <p>CareFirst BCBS MAMSI – MLH Eagle</p>	DBM/OPSB/EBD (410) 767-4710	1/1/05	6/30/09	
<p>This contract provides for a Third party administrator to oversee the POS Health Benefits Plan administration, capitation fee & claims disbursement for State employees and retirees.</p> <p>CareFirst BCBS MD POS MDIPA Aetna QPOS</p>	DBM/OPSB/EBD (410) 767-4710	1/1/05	6/30/09	
<p>This contract provides for a Third party administrator to oversee the Health Maintenance Organization Benefit Plans for State employees and retirees.</p> <p>FreeState Kaiser Optimum Choice</p>	DBM/ OPSB/EBD (410) 767-4710	1/1/05	6/30/09	
<p>This contract provides for a Third party administrator to audit the Health, Rx, Mental, FSA & Dental plans for the State of Maryland. Contract for an annual audit of claims payment functions and administrative performance activities of medical and prescription drug plans for State employees.</p> <p>Mercer ADPICS # F10B0200032 Contract # F10R0200220 (4/26/2000)</p>	DBM/OPSB/EBD (410) 767-4710	6/1/00	12/31/05	Rebid in 2006

Vendor Name, Description of Services & ADPICS Number	Contract Manager	Contract Starting Date	Contract Ending Date	*Available Renewal Options
<p>This contract provides for a Third party administrator to administer the Rx Benefit Plan administration & claims disbursements for State employees and retirees. The contract is to provide Pharmacy Benefit Manager (PBM) services. This will include comprehensive concurrent, prospective and retrospective drug utilization reviews for Maryland State employees and retirees.</p> <p>AdvancePCS a/k/a CaremarkPCS</p> <p>ADPICS # F10B0200045 Contract # F10R0200266 (7/19/2000)</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>1/1/01</p>	<p>12/31/03</p>	<p>3</p> <p>option #1 1/1/04- 12/31/04</p> <p>option #2 1/1/05- 12/31/05</p> <p>option #3 1/1/06- 12/31/06</p> <p>*Rebid in 2006</p>
<p>The contract is to provide mental health and substance abuse insurance benefits for Maryland State employees and retirees enrolled in the PPO and Point-of-Service health insurance plans. The contract also provides Employee Assistance Plan (EAP) benefits to all active State employees.</p> <p>APS Healthcare</p> <p>ADPICS # F10B0200001 Contract # F10R0200267 (7/19/2000)</p>	<p>DBM/OPSB/EBD (410) 767-4710</p>	<p>1/1/01</p>	<p>12/31/03</p>	<p>3</p> <p>option #1 1/1/04- 12/31/04</p> <p>option #2 1/1/05- 12/31/05</p> <p>option #3 1/1/06- 12/31/06</p> <p>*Rebid in 2006</p>

* All renewal options are for a period of one year, unless otherwise noted.

ATTACHMENT J - CERTIFICATION OF RETURN OF CONFIDENTIAL DATA

This is to certify that the computer diskette containing Confidential Data is being returned to the State of Maryland, that no copies of the Confidential Data have been retained, and that all copies of the Confidential Data that were prepared or made in the course of preparing a proposal have been destroyed in such a manner as to make retrieval of the Confidential Data impossible.

OFFEROR

RECEIVED BY:

By:
Title:

By: _____
Name:

Date

Date

ATTACHMENT K - CONFIDENTIAL INFORMATION

Confidential information will be made available to any potential Offeror by request via a Compact Disc provided by the Procurement Officer.

All confidential information will be made available by the Procurement Officer to any potential Offeror upon completion and submission of ATTACHMENT G - CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

On the CD, the confidential information will include the following:

1. Aetna-StateMD_caremgmt_4Q05.zip
2. Aetna-StateMD_utiliztemp_4Q05.zip
3. Carefirst-Q42005 State Report.zip
4. Kaiser-SOM Attachment J1-a2ndQtr2005.xls
5. Kaiser-102005 thru122005_AON.xls
6. Mamsi-Md2005Q4B.xls
7. Mamsi-Md2005Q4A.xls
8. Mental Health TPA Utilization format.doc
9. Rxquarterreportformat.xls

**ATTACHMENT L - STATE BENEFIT EMPLOYEE ENROLLMENT DATA BY PLAN
AND COVERAGE**

Department of Budget and Management
Active Employee Enrollment Data By Plan and Coverage
Prepared for Enrollment Year of 2006 and Enrollment Month of May

Plan	Total Employee	Employee Only	Employee & Child	Employee & Spouse	Family	ESRD
Prescription	65732	25786	5268	13487	21191	
HMO-United Concordia Dental	22498	8558	1956	4382	7602	
PPO-United Concordia Dental	25372	10490	1962	5630	7290	
HMO-Dental Benefit Providers	12292	6057	1066	2041	3128	
PPO-Carefirst BCBS	27339	11979	2059	5917	7370	14
HMO-BlueChoice	6093	2749	552	932	1858	2
PPO-MLH-EAGLE	1970	781	88	577	524	0
POS-M.D.IPA Preferred	10324	3279	745	2346	3954	0
HMO-Kaiser Permanente	4415	2338	388	540	1149	0
POS-CareFirst BCBS	11427	4134	916	2301	4073	0
HMO-Optimum Choice	4108	1574	304	549	1681	0
POS-Aetna	4179	1704	345	638	1491	1
Medicare Grand Total	69855	28538	5397	13800	22100	20
PAD-100000	17795	10312			7483	
PAD-200000	7080	2965			4115	
PAD-300000	11106	4194			6912	
FSA-Dependent Care	621					
FSA-Health Care	4722					
FSA-DependCare and Healthcare	639					
Plan	Total Employee	Spouse	Child			
Life Insurance	72321	42566	16296	13459		

Department of Budget and Management
 Retiree Employee Enrollment Data By Plan and Coverage
 Prepared for Enrollment Year of 2006 and Enrollment Month of May

Plan	Total	Employee Only	Employee & Child	Employee & Spouse	Family	ESRD
Prescription	33486	17963	539	12847	12847	
HMO-United Concordia Dental	7888	4241	205	2779	663	
PPO-United Concordia Dental	7872	3829	156	3340	547	
HMO-Dental Benefit Providers	2554	1329	81	875	269	
PPO-Carefirst BCBS	19909	2606	180	1779	754	14590
HMO-BlueChoice	2191	393	38	284	157	1319
PPO-MLH-EAGLE	2609	196	14	209	54	2136
POS-M.D.IPA Preferred	3680	573	66	630	386	2025
HMO-Kaiser Permanente	622	136	11	56	47	372
POS-CareFirst BCBS	3737	511	48	459	239	2480
HMO-Optimum Choice	554	122	15	90	56	271
POS-Aetna	630	118	15	95	50	352
Medicare Grand Total	33932	4655	387	3602	1743	23545

Plan	Total	Employee	Spouse	Child
Life Insurance	8893	5646	2367	880

Department of Budget and Management
 Satellite Employee Enrollment Data By Plan and Coverage
 Prepared for Enrollment Year of 2006 and Enrollment Month of May

Plan	Total	Employee Only	Employee & Child	Employee & Spouse	Family	ESRD
Prescription	1845	794	131	421	499	
HMO-United Concordia Dental	645	281	42	144	178	
PPO-United Concordia Dental	799	360	62	180	197	
HMO-Dental Benefit Providers	320	182	21	57	60	
PPO-Carefirst BCBS	776	322	45	189	179	41
HMO-BlueChoice	237	129	16	39	47	6
PPO-MLH-EAGLE	59	26	3	12	12	6
POS-M.D.IPA Preferred	250	102	18	55	71	4
HMO-Kaiser Permanente	111	55	10	15	29	2
POS-CareFirst BCBS	371	161	24	66	117	3
HMO-Optimum Choice	308	182	18	49	59	0
POS-Aetna	154	63	13	33	42	3
Medicare Grand Total	2266	1040	147	458	556	65
PAD-100000	593	394			199	
PAD-200000	206	109			97	
PAD-300000	361	146			215	
FSA-Dependent Care	12					
FSA-Health Care	79					
FSA-DependCare and Healthcare	9					

Plan	Total	Employee	Spouse	Child
Life Insurance	2331	1400	544	387

Department of Budget and Management
 Direct Pay Employee Enrollment Data By Plan and Coverage
 Prepared for Enrollment Year of 2006 and Enrollment Month of May

Plan	Total Employee	Employee Only	Employee & Child	Employee & Spouse	Family	ESRD
Prescription	1268	807	35	259	167	
HMO-United Concordia Dental	445	278	15	85	67	
PPO-United Concordia Dental	684	445	21	129	89	
HMO-Dental Benefit Providers	201	131	11	38	21	
PPO-Carefirst BCBS	724	366	14	75	70	199
HMO-BlueChoice	166	118	4	12	27	5
PPO-MLH-EAGLE	89	35	1	13	10	30
POS-M.D.IPA Preferred	165	93	8	18	24	22
HMO-Kaiser Permanente	134	92	5	19	10	8
POS-CareFirst BCBS	252	150	9	33	42	18
HMO-Optimum Choice	109	74	1	14	18	3
POS-Aetna	93	59	1	15	12	6
Medicare Grand Total	1732	987	43	198	213	291
PAD-100000	169	134			35	
PAD-200000	48	23			25	
PAD-300000	88	49			39	
FSA-Dependent Care	Statistic cannot generate					
FSA-Health Care	Statistic cannot generate					
FSA-DependCare and Healthcare	Statistic cannot generate					
Plan	Total	Employee	Spouse	Child		
Life Insurance	469	339	91	39		